

PASSION. GROWTH. RESPONSIBILITY

Bring Fun to Life!



AmRest



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**FOR 25 YEARS
WE HAVE KNOWN THAT:**

*Wszystko
jest
możliwe!*

ANYTHING IS POSSIBLE



Dear All,

It is with great pleasure that we present the second Sustainability Report of the AmRest Group, for 2018 which was a historical year for our company in many aspects.

In November 2018, we celebrated the 25th anniversary of the opening of the first restaurant in the AmRest portfolio. Now, just a quarter of a century later, we have built a solid international business based on our culture, our key belief that *Wszystko Jest Możliwe* (Anything Is Possible), and, most importantly, on the hard work and dedication of our close to 49 000 employees who are at the center of AmRest's success. Driven by these foundations we are approaching our goal of being the leading company in the European restaurant sector.

In 2018, AmRest continued to grow at a fast pace, opening an unprecedented 280 restaurants during the year, thus increasing the number of markets in which we are present to 25 and the number of restaurants we operate to more than 2 100. Our success is the result of a well-planned combination of organic growth and relevant acquisitions that make a significant contribution to scaling our size, balancing our portfolio in terms of franchised and proprietary brands, and entering new segments. Most recently, we acquired Sushi Shop, the European leader in Japanese food, and Bacoa, a premier burger brand in Spain.

The company trades on the Warsaw Stock Exchange, in Poland, and on the stock exchanges of Madrid, Barcelona, Bilbao, and Valencia, in Spain, where it was first listed in November 2018. In 2018, AmRest's efforts were recognized by being listed on the prestigious RESPECT INDEX of the Warsaw Stock Exchange.

We are extremely pleased with what we have witnessed over the past three years: that equity has consolidated, the path to growth has accelerated, and the foundation has been set to continue promoting the company's growth for the coming decades.

In conjunction with the growth of our business, the impact we make on the world around us has also become more significant. Each new restaurant creates more stakeholders, more employees and new customers and communities. Subsequently, our growth has also expanded our environmental footprint.

We strongly believe we have an obligation to manage our business in a sustainable manner, while addressing the challenges related to the needs and expectations of our stakeholders.

To this end, we have consistently implemented the AmRest Sustainability Strategy, which is founded on four key pillars: Our Food, Our People, Our Environment, and Our Communities. The strategy has always been, and continues to be, a top priority for us. Accordingly, many of our global and local initiatives contribute to the UN Sustainable Development Goals.

We are convinced that in today's volatile environment, sustainable growth implies undertaking actions which are good for the future of our planet. At AmRest we want to be not only an active player, but also an agent of change contributing to build a better world for current and future generations. We are working hard to achieve this goal.

Finally, I would like to thank our shareholders for their constant support, which has been a key driver behind AmRest's continued success.

I am certain that as we move forward, we will continue to prove that Anything Is Possible if we all work together.

José Parés Gutiérrez
Chairman of the Board of Directors
AmRest Holdings SE



2018, the Anniversary year

for AmRest, brought about new markets and new brands to our portfolio. With nearly 49 000 employees on board and 9 exciting brands in 25 countries, we understand that we need to use our scale to make a positive economic, social and environmental impact – to bring fun to our employees, customers, business partners, shareholders, local communities, and other stakeholders.

I'm happy we are presenting our responsible practices through the second Sustainability Report of the AmRest Group. We are proud of what we are doing to secure the highest quality and safety of food served in our restaurants and coffee houses, in making AmRest a fun place to learn, lead and love; minimizing our environmental footprint and giving back to the communities.

I would like to thank all employees for their commitment and passion in realizing all our goals and ambitions defined in the AmRest Sustainability Strategy. We believe that Wszystko Jest Możliwe and this Report proves that together we can do even more.

Mark R Chandler

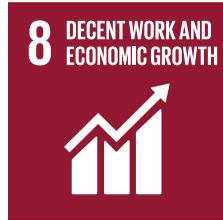
Mark Chandler
Chief Executive Officer
AmRest Holdings SE



THE MOMENTS OF SUCCESS

We grow
with taste

We are involved in the following areas.



Year 2018 was:

9 new markets

2 new own brands: Bacoa and Sushi Shop

Expansion of the master franchise
for Pizza Hut brand

Debut in the Respect Index ranking

Development of the delivery channel

Digitalization processes

How we grew in 2018

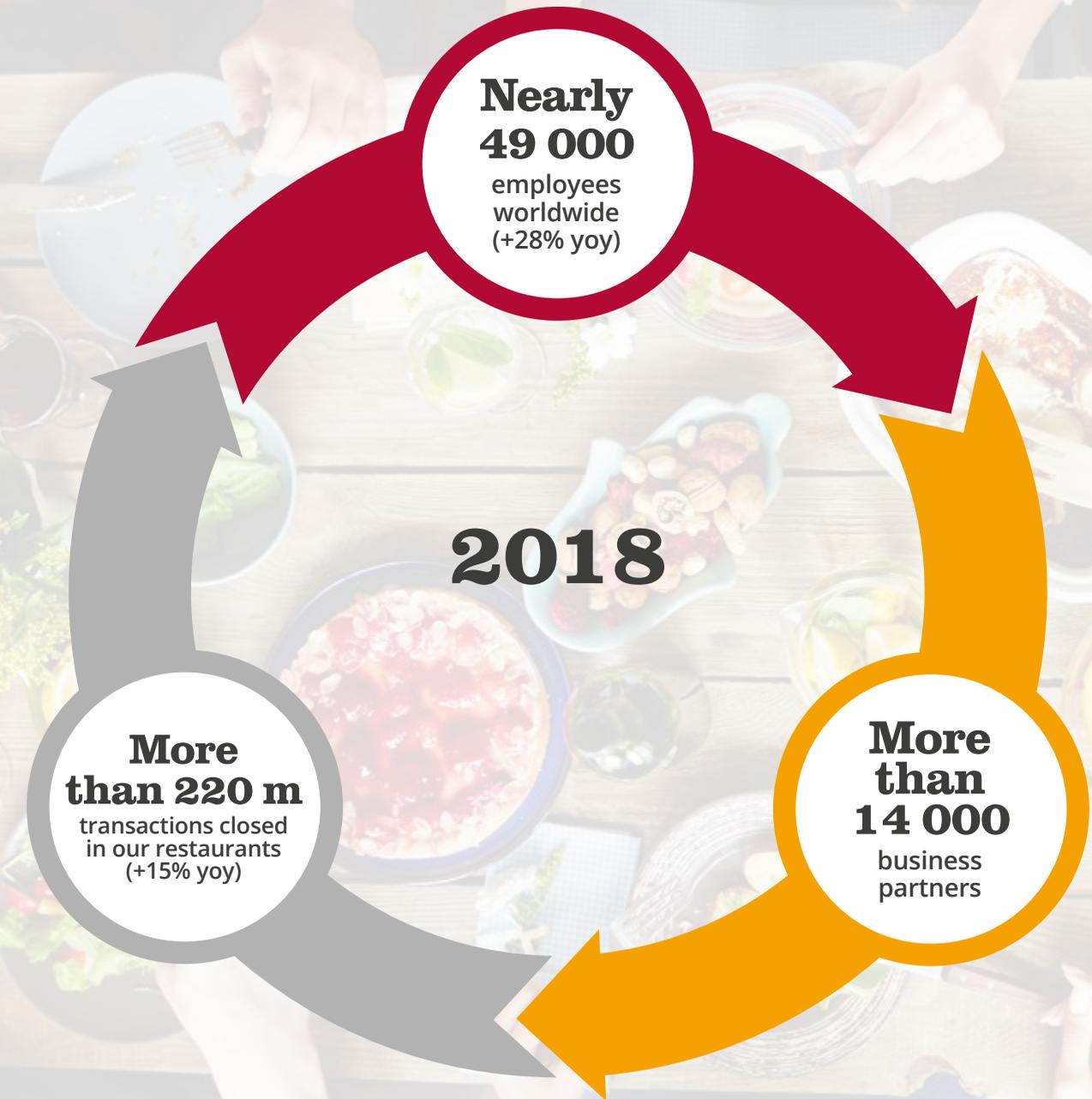
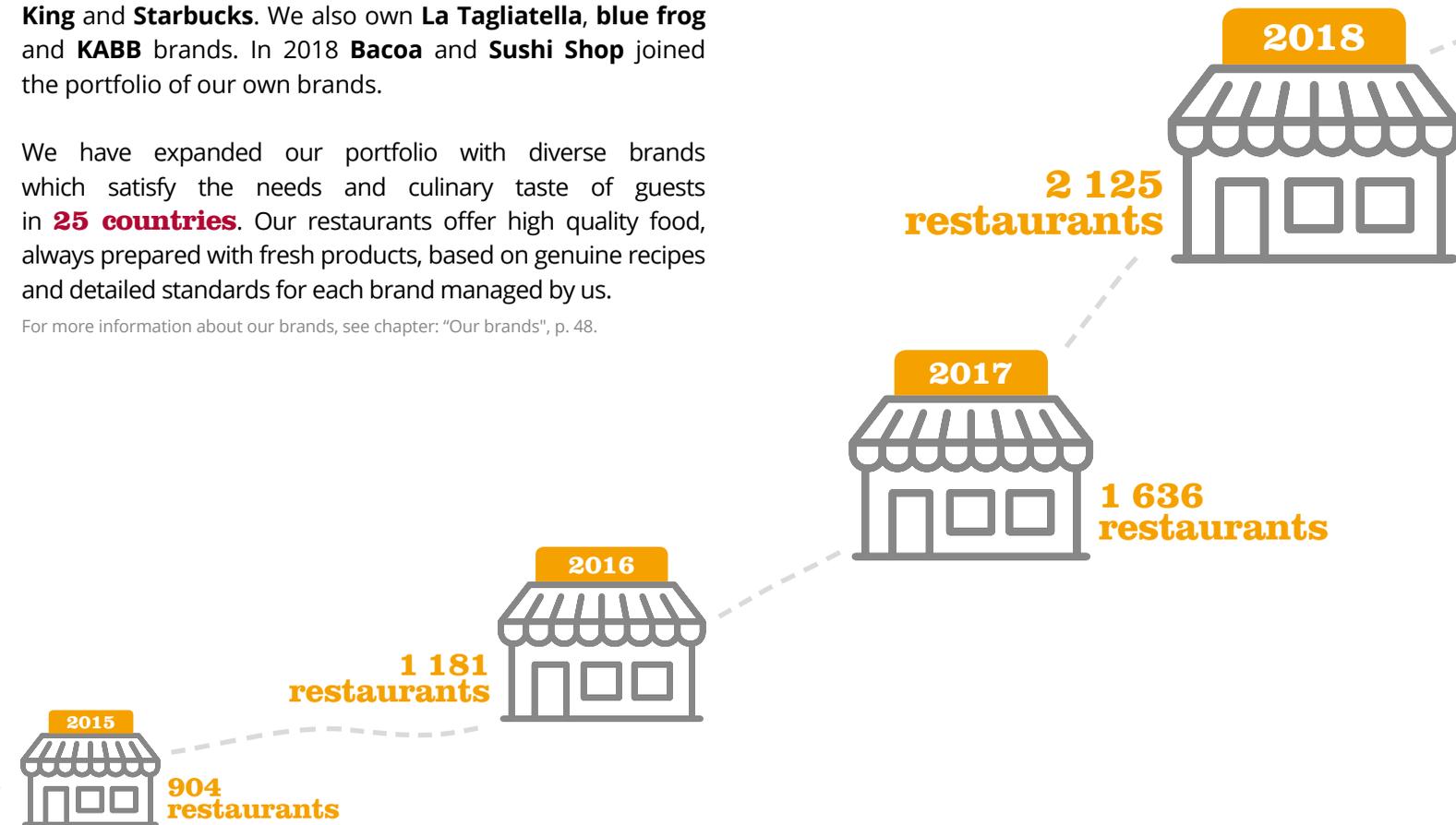
We are the fastest growing company which operates restaurants all around the world, in the **Quick Service Restaurants** segment and **Casual Dining Restaurants** segment.

Since 1993, when our first restaurant was opened, we have continuously and rapidly developed a portfolio of unique and recognizable franchise brands: **KFC**, **Pizza Hut**, **Burger King** and **Starbucks**. We also own **La Tagliatella**, **blue frog** and **KABB** brands. In 2018 **Bacoa** and **Sushi Shop** joined the portfolio of our own brands.

We have expanded our portfolio with diverse brands which satisfy the needs and culinary taste of guests in **25 countries**. Our restaurants offer high quality food, always prepared with fresh products, based on genuine recipes and detailed standards for each brand managed by us.

For more information about our brands, see chapter: "Our brands", p. 48.

Our success is based on the unique culture of **Wszystko Jest Możliwe!**, and the history of our growth is **25 years of passion**, determination and faith in people.



the world of AmRest in 2018

Development of our business in 2018:

- We continued the dynamic expansion, as a result of which we opened **280 of our own restaurants**.
- We made key acquisitions for us and thus we entered **9 new markets**: Armenia, Azerbaijan, Belgium, Great Britain, Italy, Luxembourg, Saudi Arabia, Switzerland, United Arab Emirates.
- We changed the legal seat from Wrocław to Madrid and we became a Spanish company.
- We entered the Spanish Stock Exchange in Madrid, Barcelona, Bilbao and Valencia. We have been listed on the Warsaw Stock Exchange since 2005.
- We have approved a number of new global policies regulating, among others, employee, environmental and social issues.

¹ Pizza Hut restaurants in Russia, Armenia and Azerbaijan, KFC restaurants in France, Bacoa and Sushi Shop brands.

² HARVEST is a global initiative which consists in sharing surplus production with Food Banks. The program contributes to the implementation of the UN's Sustainable Development Goals by combating hunger and inequality as well as promoting responsible production and consumption. More information in chapter: "Together we are changing the world for the better!", p. 132.



#Growth

- # **25 years of fun!**
- # We entered the **stock exchange in Spain**.
- # We received the **master franchise** for the **Pizza Hut** brands in Armenia, Azerbaijan and Russia.



#New markets

- # Acquisitions¹.
- # Pizza Hut debuted in **Slovakia**.
- # We are ready to introduce **Starbucks to Serbia** (coffee house opened in April 2019)



#CSR

- # We signed the **Diversity Charter**
- # Two brands enrolled in the **HARVEST**² programme **Pizza Hut and blue frog**.
- # We debuted in the **Respect Index** – a ranking of responsible companies listed on the **Warsaw Stock Exchange**



Important awards received by us:

- We won the **Stevie Awards** silver statue in the **Best CSR programme in Europe** category for our **HARVEST** programme implemented in KFC restaurants.
- We are among the top ten companies from the WSE main trading floor ranked in **Listed Company of 2017** programme, created by specialists from the equity market and announced in 2018.
- Our three brands: KFC, Starbucks and Pizza Hut reached **top of the industry TOP Brand ranking**.
- The **Spread Your Wings** programme was recognized at the **CEB Internal Communication Awards 2018** global forum.

We operated in 25 countries
(including in 9 new countries since 2018)

The driving force of our success is fun, which makes us still hungry for more.

The global reach of our operations

In 2018 we managed **9 restaurant brands**: KFC, Pizza Hut, Starbucks, Burger King, La Tagliatella, blue frog, KABB, Bacoa and Sushi Shop. We were also present in the food aggregators segment with PizzaPortal.pl – a popular food ordering web service.



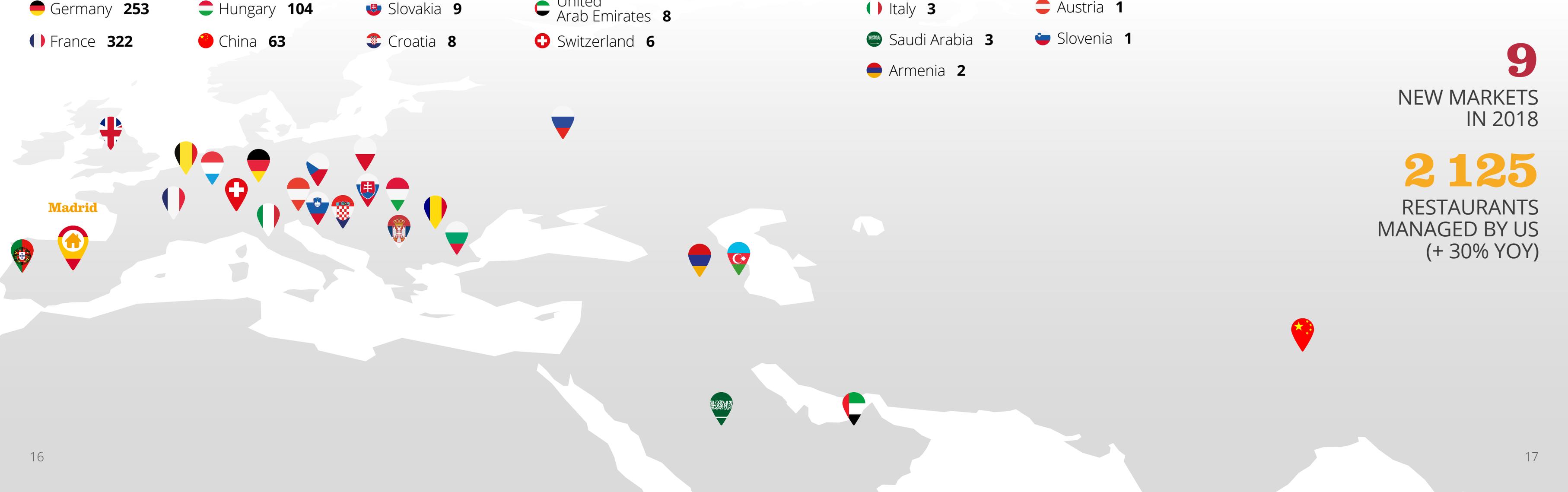
STARBUCKS®



SUSHISHOP

Number of restaurants in 2018

 Poland 515	 Russia 244	 Romania 46	 Belgium 8	 Great Britain 5	 Azerbaijan 2
 Spain 326	 Czech Republic 162	 Bulgaria 19	 Serbia 8	 Portugal 5	 Luxembourg 2
 Germany 253	 Hungary 104	 Slovakia 9	 United Arab Emirates 8	 Italy 3	 Austria 1
 France 322	 China 63	 Croatia 8	 Switzerland 6	 Saudi Arabia 3	 Slovenia 1
				 Armenia 2	



9
NEW MARKETS
IN 2018

2 125
RESTAURANTS
MANAGED BY US
(+ 30% YOY)

More about our business model

Franchise brands

For over 25 years we have been developing a portfolio of global restaurant brands and leaders in their categories – KFC, Pizza Hut, Burger King and Starbucks – based on franchise and joint ventures. This means that on selected markets we hold the right to manage such restaurants based on agreements signed with brand owners, YUM!, Burger King Europe and Starbucks. Long-term, well-arranged cooperation with our partners allowed us to develop a high level of independence in terms of the management model. Since 2017 we have also been the master franchisee of the Pizza Hut brand on several markets, which means that it is AmRest which grants the right to operate restaurants under this brand to other franchisees (subfranchise).

AmRest business partners

AmRest	2017	2018
Franchisees	161 ³	194
Franchisors	4	4

³ In the Sustainable Report for 2017 we stated an incorrect number of franchisees (215), which we are correcting in this edition.

A matrix of AmRest franchise brands

	Owner: YUM!	Owner: Burger King	Owner: Starbucks	Franchisee: AmRest	AmRest own restaurants	Right to grant the subfranchise by AmRest
	●	●	●	●	●	●
	●	●	●	●	●	●
	●	●	●	●	●	●
	●	●	●	●	●	●

A matrix of AmRest franchise brands

	2017	2018		
	Total number of restaurants	Total number of restaurants	Number of own restaurants	Number of franchise restaurants
	669	779	779	0
	327	449	227	222
	301	341	341	0
	236	249	82	167
	54	60	60	0
	45	67	65	2
	4	3	3	0
	0	170	107	63
	0	7	3	4
Total:	1 636	2 125	1 667	459

Own brands

We operate restaurants under our own brands: La Tagliatella, blue frog, KABB, Bacoa and Sushi Shop. For most of them, we grant the franchise to unrelated entities and we run our own restaurants. La Tagliatella brand uses the Central Kitchen which produces and delivers products to the entire network.

AmRest's own brand franchise in 2018

La Tagliatella

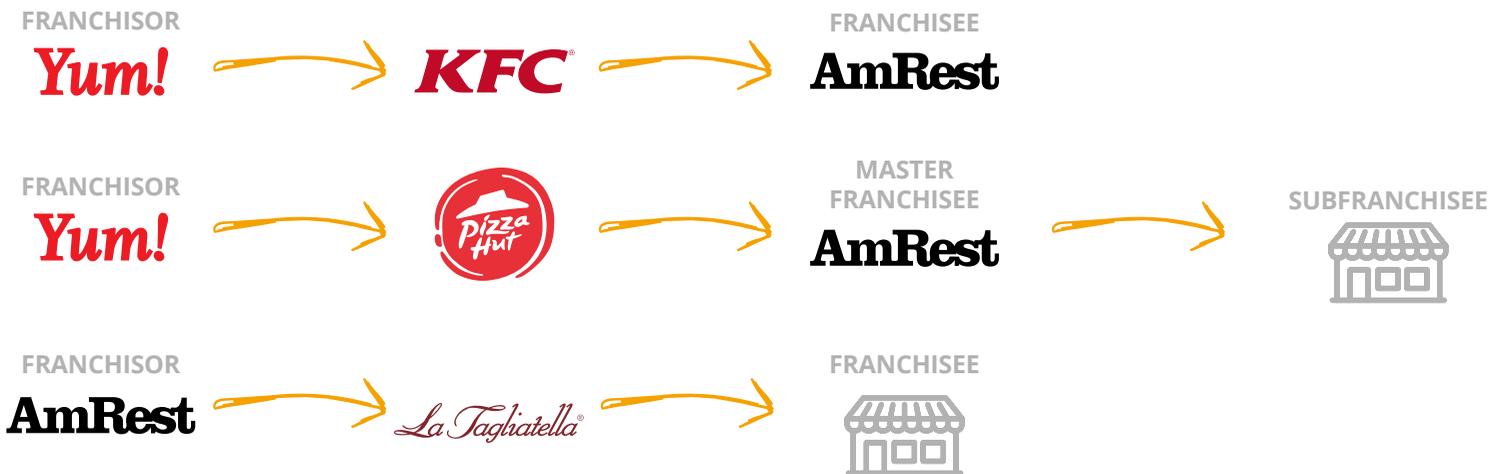
This brand of restaurants with genuine Italian character encompassed **249 restaurants**, including **167 restaurants operating under franchise agreements**.



SUSHISHOP

This Japanese cuisine restaurant brand comprised **170 restaurants**, including **63 franchise-based places**.

Scheme of franchise models on the example of selected brands



Global Restaurant Franchisor

In February 2019 AmRest received a prestigious Global Restaurant Franchisor of the Year Award. The award was received on behalf of the company by Christopher Jones, Franchise and Concession President at AmRest, during the Global Restaurant Investment Forum (GRIF) in Amsterdam, where we shared knowledge and experience of a company operating as both the franchisee and franchisor.



A matrix of AmRest own brands

	AmRest owner	AmRest own restaurants	Franchise granted by AmRest to operate restaurants
<i>La Tagliatella</i>	●	●	●
blue frog <small>BAR & GRILL</small>	●	●	●
KABB <small>BISTRO BAR</small>	●	●	●
BACOA	●	●	●
SUSHISHOP	●	●	●

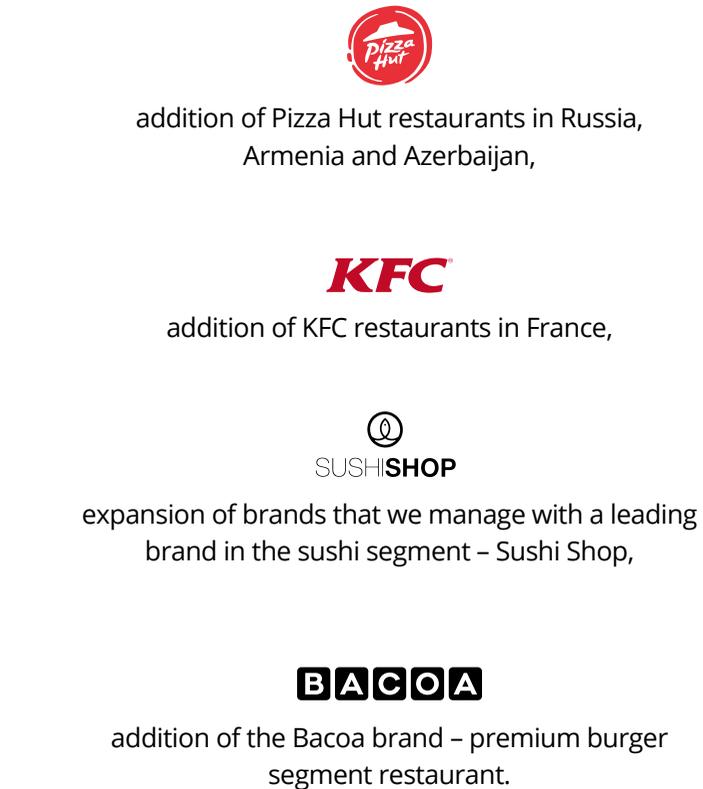
AmRest business strategy

We build our business with energy and passion, leading it with determination and a sense of responsibility. The dynamic growth of AmRest would not have been possible if we did not nurture our Core Values and the **Wszystko Jest Możliwe!** culture. Every year, we believe in it even more, while we expand our global reach. The AmRest unique culture is also an element of our business strategy.

In 2018, we opened **280 of our own restaurants** and we earned **€43m of profit after tax.**

Intensive development allowed us to achieve spectacular financial results while conducting business in a responsible manner, focusing on customers and their satisfaction.

In 2018, our strategy focused on the development and expansion of proven and mature brands and the expansion of our portfolio brands with new brands that were already leading brands on the market. In practice, this translated into:

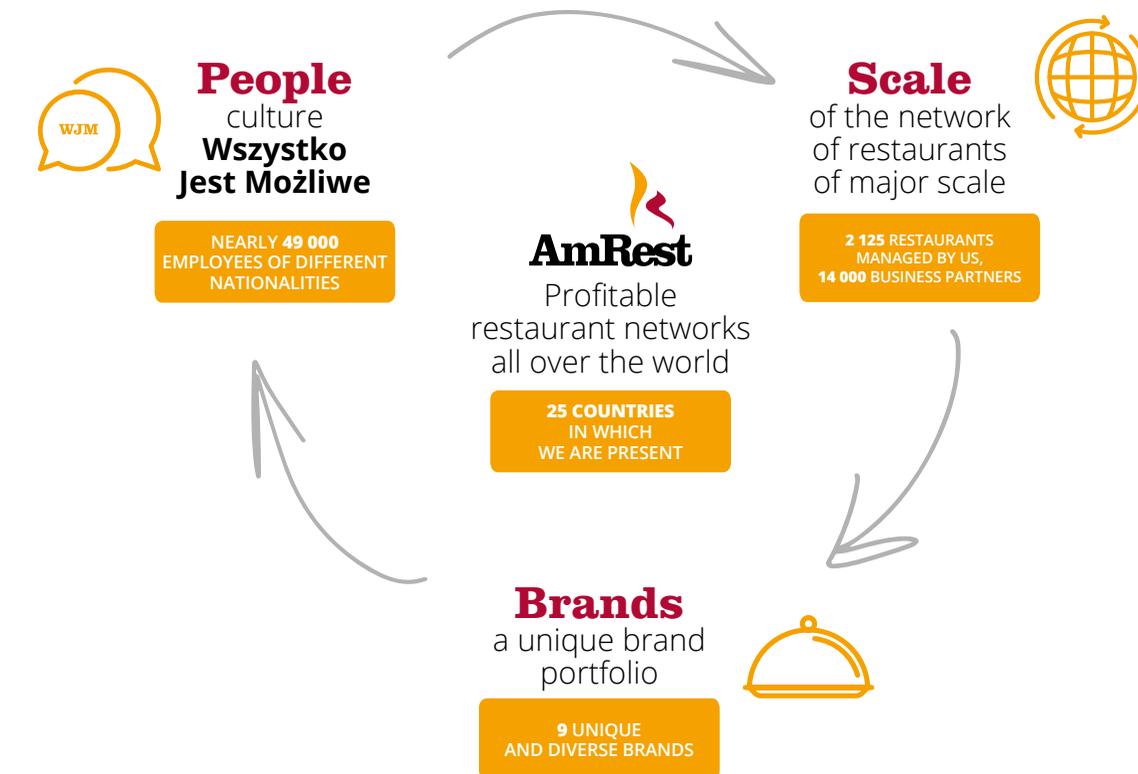


AmRest Strategy

Leverage our **WJM** culture, international capability and superior brand portfolio to grow scalable, highly profitable restaurants globally.

Our unique proposition:

Through our **WJM** culture we will deliver delicious taste and exceptional service at affordable prices.



Our pillars

For the last 25 years, AmRest model was based on the great leadership team, strong feedback, great brands and heavy assets. We are growing continuously every year by opening more restaurants and conquering new markets. However the technology is changing business very quickly and to make sure we thrive and survive going forward, we need to make a big shift in understanding growth. To achieve that we came up with 4 pillars of success – Operations, Food Service, Franchising and Digital & Delivery.

Operations



Food Services



Franchising



Digital & Delivery



Operations



Every single restaurant we are running should provide an excellent experience to our guests and at the same time has a healthy and profitable business economics.

Food Services



A sustainable and agile end to end food service offering, which delivers excellence in margin, innovation, quality, support organization growth and generates commercial value, serving both internal and external customers, underpinned by our WJM culture.

Franchising



With a clear strategy, proper business model and a market know how, in addition to great brands, we will provide a “wow effect” attractive to new partners and as a consequence will give them a sense of stability and security.

Digital & Delivery



At AmRest it's all about customers and the experience they get when entering our restaurants. We want them to feel comfortable in our interiors, we want them to be served with the highest quality, finally we want them to trust us and our products. The goal is to transform real life experiences and make them consistent with the experiences our customers get in the online world. The 2 000 restaurants we are so proud of, multi-brand and multi-country possibilities combined with all the digital capabilities will make AmRest unbeatable on the market.

Board of Directors

AmRest is managed by the Board of Directors, its ultimate body, which is composed of:

- José Parés Gutiérrez - Chairman
- Luis Miguel Álvarez Pérez - Vice-Chairman
- Carlos Fernández González - Member

- Pablo Castilla Reparaz - Member
- Mustafa Ogretici - Member
- Romana Sadurska - Member
- Emilio Fullaondo Botella - Member

On 10 May 2019 Henry McGovern and Steven Kent Winegar left the Board of Directors.

* as of 14 May 2019.



José Parés Gutiérrez



Luis Miguel Álvarez Pérez



Carlos Fernández González



Pablo Castilla Reparaz



Mustafa Ogretici



Romana Sadurska



Emilio Fullaondo Botella

The Executive Team

Responsible for performance of the strategy and day-to-day business management of the AmRest Group:

- Mark Chandler, Chief Executive Officer
- Olgierd Danielewicz, Chief Operations Officer
- Oksana Staniszewska, Chief People Officer

- Eduardo Zamarripa, Chief Financial Officer
- Ramanurup Sen, Food Service President
- Robert Žuk, Chief Information Officer
- Jerzy Tymofiejew, Chief Development Officer
- Malena Pato Castel, COO Equity Brands
- Peter Kaineder, Chief Strategy Officer

* as at 23 May 2019



Mark Chandler



Olgierd Danielewicz



Oksana Staniszewska



Eduardo Zamarripa



Ramanurup Sen



Robert Žuk



Jerzy Tymofiejew



Malena Pato Castel



Peter Kaineder

Processes that drive our business

Integration

Coherence is important to our global operations as well as consistency. AmRest's intense growth, differentiation of brands in our portfolio, various markets with different cultural aspects – is a challenge and brings lots of possibilities. To manage it we have developed and used an integration process 2.0, that follows after finalizing the acquisition of a given business.

AmRest will in cooperation with the local team, carry out the integration process that aims to implement the most important matters connected with People, Processes and Systems. We want to efficiently implement the most important procedures that operate in AmRest, such as ex. IT-systems, approach to financial management and transparent HR area processes. We introduce in restaurants strictly defined standards that allows us to implement and achieve our goals. It is a process divided over time into 3 stages, which allows us to quickly adapt business to our standards, but also acclimatize the employees into a new group with its unique Culture and Values.

An extremely important element in the integration process is the **Integration Core Team**. It is a team of functional managers covering the most important AmRest functions, who decide how the integration process will proceed. They are specialists, who are in contact with the local integration team, in a given company.



“

The most important thing regarding Integration is to build AmRest unique culture across the new markets and brands in balance and honor with what we want to preserve from the past.

Thanks to this complex process we can achieve the self-sufficiency within the local teams, so they run the business in line with AmRest standards. Rollout of all core processes, systems and tools allow us to achieve even higher levels of Operational Excellence and instill the courage to boldly reimagine the future.

Jonas Berg,
Global Integration and PMO Director

Phases of the integration



Phase 0

This is the initial phase where we create the foundation for coming stages. At this stage, we collect and become familiar with the data and the condition of the company. We prepare a master plan for the time when business will become our property – what the transformation journey will look like.

Phase 1

Implementation and decision-making phase – also called the 100 days. We implement the initial fundamentals from the master plan, created in Phase 0, which at this stage could also be modified. We involve local functional managers and employees to cooperate and set/deliver actions. We secure the most important procedures. We organize a roadshow - training and presentations on AmRest, values and culture for local employees.

Phase 2

Implementation phase. We implement what we have tested so far - we carry out a plan that has the task to implement integration points that we would like to implement on a given market. We implement the system in restaurants ex. DOS +, consisting in structuring the Operational work in the restaurants. We focus on the continuous improvement of sales results.



New Product Development

The dynamic situation in the industry, growing competition and changing consumer tastes require innovations that will distinguish the company on the market. This also applies to the approach to production. New Product Development (NPD) plays a vital role in this area.

NPD is a process focused on the consumer and their expectations. NPD specialists analyse trends and monitor market evolution to create innovative recipes that are perfectly suited to the tastes of the guests. This is where ideas for packaging and seasonal offers are conceived.

This cooperation concerns, among others, the following departments and entities:

- Marketing: development of concepts and preparation of marketing communication;
- Insight: support in conducting research and consumer analyses;
- Supply Chain / Quality Assurance Department and suppliers: searching for solutions tailored to the needs of specific brands in the field of raw materials and packaging;
- Training: development of product preparation instructions and technical support of e-courses for each crew member so that products in our restaurants are reproducible and conform to the model;
- Operating Department: support in implementation of new technologies in restaurants, taking care of the quality, checking inventory levels.

NPD is about listening to our customers, but also replying to the business needs of the restaurants – it is about creating and testing the products as well as optimizing the processes which guarantee the best experience for our Guests.

The NPD mission is to continuously surprise the customer, which calls for creativity, openness and flexibility in action, as well as wide cooperation with third party specialists and other departments within the company.



Digitalization

The digitalization process opens up new opportunities for us and we build the future of AmRest on them. Digitilization is one of the key drivers of our growth. It allows us to optimize our operational activities, as well as to acquire and retain the customers. By using modern work tools and process digitalization, covering such fields as HR (AmSpace), optimizing the restaurants' operation (DOS+) or internal communication (Microsoft Teams), our employees are able to focus on the best possible customer service and sales.

At the same time, we invest in the digitalization of the customer's purchase path, constantly increasing the participation of the digital channel in the AmRest's sales.



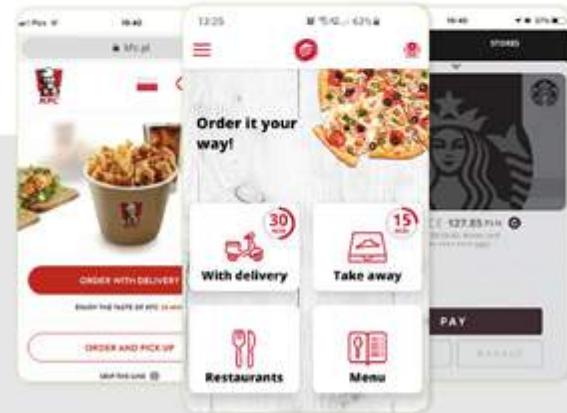
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We regularly test and implement new solutions that help us to attract and retain customers more efficiently. In 2018, we started, among others, to implement the self-service kiosks and to carry out a number of improvements within our e-Commerce platform, applications and websites.

We have also expanded our involvement in the aggregator field by acquiring shares in Glovo.

Grzegorz Gęsik-Rudnicki, Digital Director

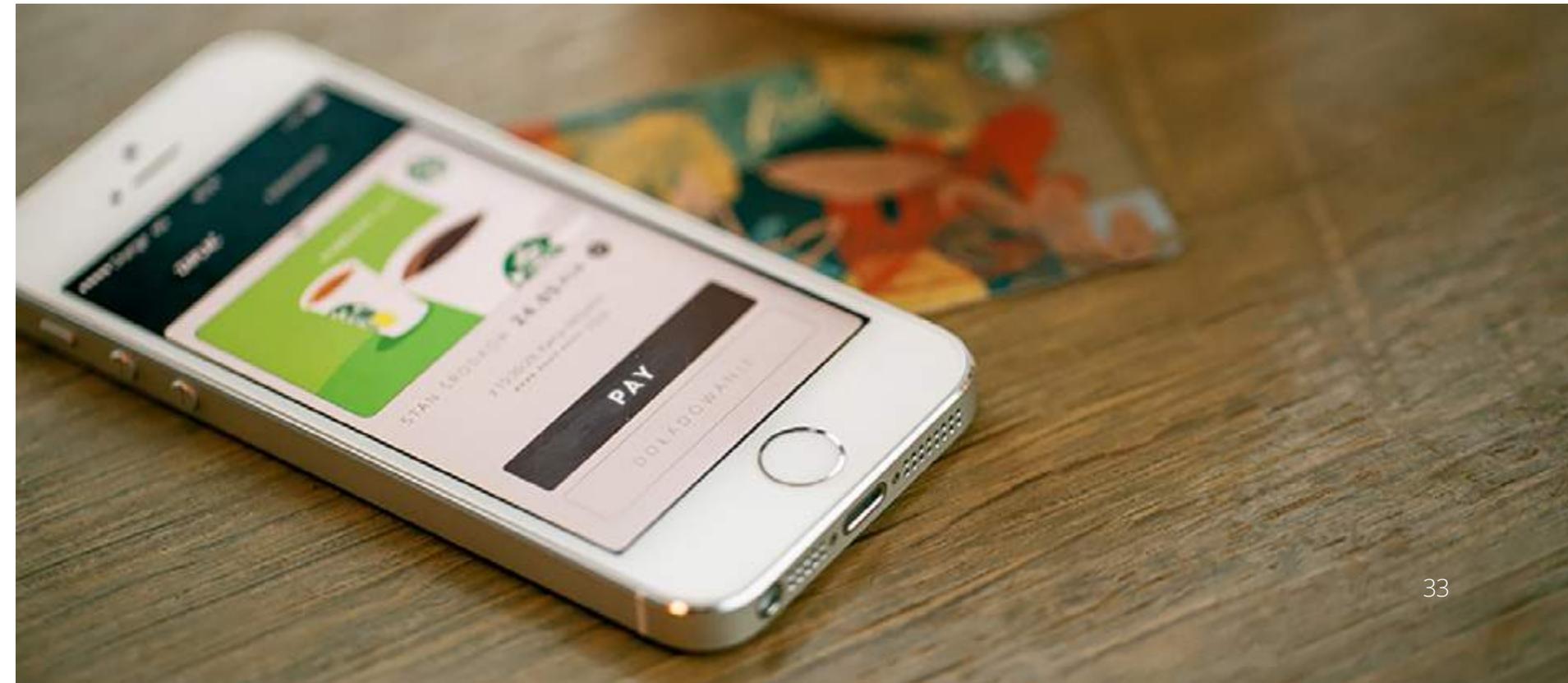
Join the DIGITAL future



STARBUCKS®

My Starbucks Rewards is one of the best loyalty programmes in the world, providing the coffee house guests with additional benefits and rewards. All you have to do is register your Starbucks card in the Starbucks mobile app. My Starbucks Rewards is available in Poland, Czech Republic, Hungary and Romania.

**STARBUCKS
REWARDS™**

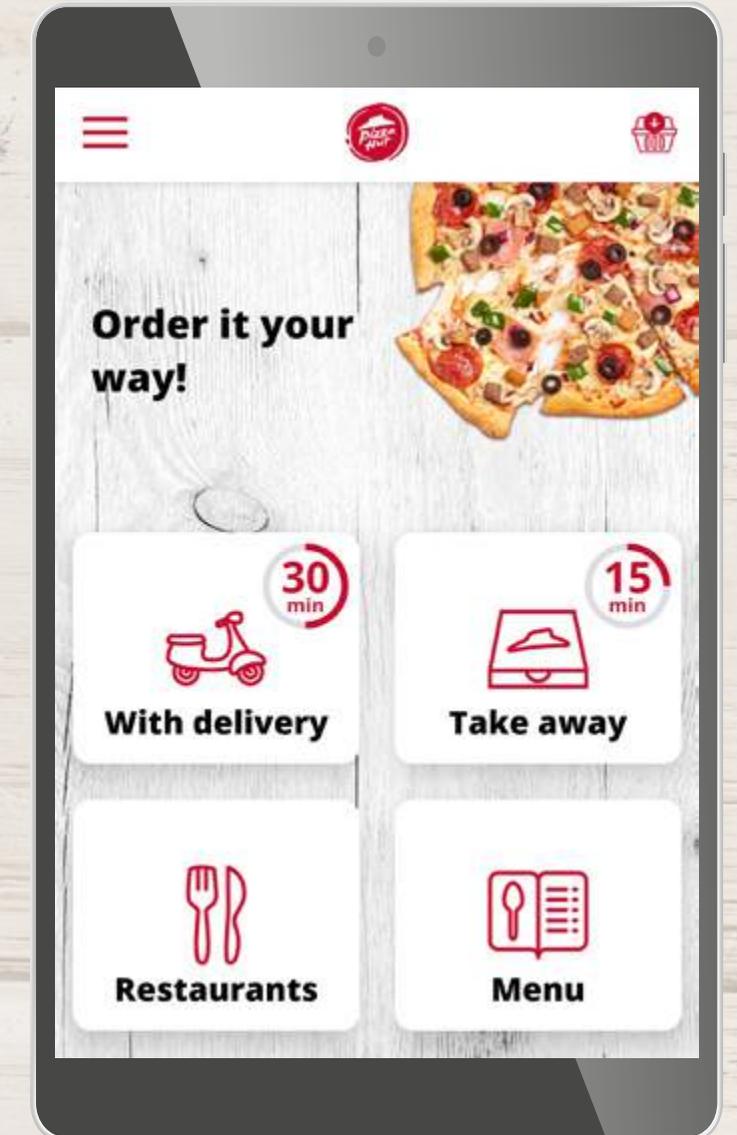




The brand's website and mobile app enable ordering meals with delivery, picking up the meal on site, as well as using the order and payment service online and then picking up the meal at a chosen hour. In 2018, we introduced the interactive kiosks that allow self-service ordering in a restaurant.



My Pizza Hut is a loyalty program that is supported by traditional or virtual cards registered in the brand's mobile app. It allows you to collect points which are then exchanged for prizes. At the same time, the mobile app provides access to special coupons that let you enjoy attractive discounts on meal purchases.



Development of the delivery channel

In AmRest, the delivery service has been available for more than 20 years. At the beginning, we offered delivery from Pizza Hut and KFC mainly in Warsaw, however, over time we noticed a growing interest in the meal delivery in other cities as well. As a result of the changing gastronomic trends, in 2013 we decided to invest heavily in this sales channel and increase its availability for the customers. We wanted everyone to be able to enjoy the taste of our brands' favourite products at home or at work.

We offer delivery from more than **300 restaurants** with KFC and Pizza Hut label in Poland, Czech Republic and Hungary.

In the above-mentioned countries, we've developed a special operating model, covering the online ordering platform, mobile apps, call centres and aggregators. As a result, our restaurants process almost **4.5 million orders per year**. It's a huge success, but we have an appetite for even more. Every year, the number of restaurants offering delivery rises by approx. **30%**. For the upcoming months, we've planned to expand this service to include more brands – Burger King and Starbucks. We are also consistently developing the delivery channel in Western Europe.

Our competitive advantages:



FAST SERVICE



PROMISED DELIVERY TIME



PRODUCT QUALITY

Our ambition:

20 minutes

is the time from the moment of placing the order by the customer to its delivery.

30%

is the yearly increase in the number of our restaurants offering delivery.



AmRest Core Values, ethics and global policies

We want our activities to be based on the highest ethical standards. We've compiled our values and principles into a globally binding document. **Code of Business Conduct** is a guide to AmRest's obligatory rules that our employees have to follow.

The Code covers such subjects as: relations with the customers and business partners, mutual relations in the workplace or gift policy. The document was updated in 2018. At the same time, the Board of Directors has approved other global policies that address social, staff, environmental, human rights and anti-corruption matters. We'll gradually communicate and implement these policies in 2019.

	social	staff	environmental	human rights	anti-corruption
Code of Business Conduct	●	●	●	●	●
Conflicts of Interest Policy	●	●	●	●	●
CSR Policy	●	●	●	●	●
Crime Prevention, Anti-bribery and Anti-corruption Policy	●	●	●	●	●
Director Selection Policy	●	●	●	●	●
Gender Policy	●	●	●	●	●
Risk Management Policy	●	●	●	●	●
Whistleblowing Policy	●	●	●	●	●
Regulatory Compliance Policy	●	●	●	●	●

Core Values of AmRest – our signpost in the everyday activities



Customer focus

We listen and actively respond to our customers. Our decisions and actions are customer focused.



Commitment to people

We believe in the intentions of our people, and want them to take responsibility, develop, and have fun!



Stretch goals

We know that **Wszystko Jest Możliwe** sets aggressive targets. We recognize and reward progress while understanding accountability and commitment.



Operation Excellence

We have a passion for excellence. We push to be the best in the world. We have the energy and confidence to confront today's reality and make the changes necessary to be the best.



Feedback

We desire and believe in direct and honest feedback. Politics have no place in our company.



Accountability

We do what we say, we are accountable, we act like owners.



Positive energy

We execute with enormous positive energy and have the ability to invigorate others. We hate bureaucracy and all the nonsense that comes with it.



Profitability

Profit, like breathing, is indispensable. Profit is not our sole goal, it is a means to achieving our opportunities. We know that we all must feel and uphold these core beliefs in order to maximize our individual and collective success.

Our approach to the sustainable development

To effectively carry out our activities as a responsible company, we have been implementing the “The strategy of responsible business and sustainable development of the AmRest Central Europe Division for 2015 – 2020”. It applies to brands managed by us in the Central Europe Division, namely in Poland, Czech Republic, Hungary, Croatia, Bulgaria, Romania and Serbia. In 2019, we plan to revise it and extend its range to a global level.

In 2018, we developed a global corporate responsibility policy that will apply to all countries in which we operate, and its implementation is planned for 2019.



“Trust is a key success factor in business based on relationships between various stakeholder groups: employees, customers, business and social partners. With millions of customers trusting us, our company has been dynamically growing, aspiring to the role of the European leader in the restaurant industry. We are aware of the responsibility that rests on us, which is why it is crucial for us to manage business in a responsible way, respecting the needs or the expectations of our surroundings. For this reason, we have consistently been implementing the AmRest CSR strategy, with its pillars of food, people, environment and communities being the priority for us.

Olgierd Danielewicz, Chief Operations Officer

Our efforts in the area of corporate responsibility and sustainable development:



We're constantly improving the nutritional value of our food, paying maximum attention to its quality and safety throughout the entire supply chain.



We're the number one employer of choice in our industry.



Our brand is recognized by employees, customers and local communities as a socially engaged brand.



We act in an environmentally-friendly manner in all of our operating areas.

Responsible business and sustainable development: strategic areas of focus



Our food



Our people



Our environment



Our communities





Our food

We supply excellent food, provide our guests with unforgettable experiences and focus on the highest standards of food safety and quality in the entire chain of supply and procuring fresh produce from local suppliers whenever and wherever possible.

Strategic areas implementation level:	Still working on it	Currently implemented	In progress	Complete
Key products tested and verified in laboratories, in accordance with the annual Brand Protection Monitoring System .	●	●	●	●
Audits of key suppliers carried out in accordance with the annual audit plan.	●	●	●	●
Percentage of local suppliers among suppliers of key products for the Central Europe Division is at the same level or higher than in the base year of 2015.	●	●	●	●
Satisfaction survey of our key suppliers.	●	●	●	●
Activities to improve the readability of customer information on the characteristics of the offered dishes and products.	●	●	●	●



Our people

We create a friendly, safe and diversity-conscious workplace where we celebrate our achievements and the joy of life together. We inspire and promote positive energy, and support our employees to live lives full of passion.

Strategic areas implementation level:	Still working on it	Currently implemented	In progress	Complete
Employee workplace satisfaction survey.	●	●	●	●
Development of practices increasing workplace safety and awareness of health and safety principles among employees.	●	●	●	●
Implementation of activities that incorporate the principles of the Code of Business Conduct.	●	●	●	●
Lower number of work accidents than in the base year of 2014.	●	●	●	●
Employees are involved in development programs.	●	●	●	●



Our environment

We conduct our business with respect for the environment. We're always looking for innovations and solutions to make our activities more environmentally-friendly.

Strategic areas implementation level:	Still working on it	Currently implemented	In progress	Complete
Increase in the use of recycled materials in the product packaging in comparison to the base year of 2015.	●	●	●	●
Increase in the recycling rates of the restaurants.	●	●	●	●
Increase in energy efficiency of our restaurants – reduction of the energy consumption of restaurant equipment.	●	●	●	●
Reduction of the energy consumption in the AmRest main headquarters for Central Europe in Wrocław.	●	●	●	●
Implementation of the LEED certification - LEED certification implemented at least in one building of AmRest Central Europe.	●	●	●	●



Our community

We develop the passion and drive of our employees to change their environment and local communities for the better. We take advantage of AmRest's scale of opportunity and support employees in activities that have a positive impact on the communities in which we operate.

Strategic areas implementation level:	Still working on it	Currently implemented	In progress	Complete
Brand stakeholders perception survey in relation to CSR.	●	●	●	●
Launching a key AmRest social project in cooperation with a social organization in Poland.	●	●	●	●
Development of partnership cooperation with an effective and trustworthy non-governmental organization.	●	●	●	●
Awareness and recognition of the key social project among AmRest's main stakeholders in the region.	●	●	●	●
Activities reinforcing the recognition of AmRest as a socially engaged company among opinion leaders and key stakeholders of AmRest Central Europe.	●	●	●	●
Our employees are involved in local initiatives and important social objectives – an increase in the number of organizations and/or projects supported by our employees as a part of employee volunteer work on an annual basis.	●	●	●	●

UN Sustainable Development Goals



- We implement the **HARVEST** program in which we distribute the unsold food to **Food Banks**.



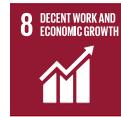
- Through the **HARVEST** program and its range, we're addressing the problem of unequal food distribution.
- As part of employee volunteer work, the AmRest employees run the **"The Soup in the Liberty Square"** project under which they prepare meals for the homeless.



- Starbucks is involved in activities and programs that equalize educational opportunities.
- In China, blue frog runs the **blue frog Elite Class** program which helps students fulfil their professional dream in the foodservice industry.
- As part of volunteer work, our employees support the **SIEMACHA** kids in their homework and developing their passions.



- We've adopted an equal treatment policy and signed the **Diversity Charter**. In our brands, everyone has the opportunity to develop.



- We operate in **25 countries** and settle all tax obligations in accordance with applicable law.
- We create new jobs. We employ almost **49 thousand people** – we're committed to their development.
- We cooperate with more than **14 thousand business partners**, including suppliers who develop along with us.



- We invest in **modern digital solutions** on many levels of our activity.
- Through the integration process, we implement our standards in every business we acquire.



- As a part of the employee volunteer work, we implemented projects dedicated, among others, to people with Down syndrome, we supported organizations focused on children suffering from cancer or helping the homeless.
- Our employees have open development and promotion paths and access to individualized and position-matched training and development programs.



- As part of volunteer work, our employees are involved in projects such as tree planting, playground waste collection, school space decoration or animal shelters support.
- Starbucks doesn't throw away the Christmas trees that are used as decorations in their coffee houses – the brand hands them over for replanting.



- We ensure the highest quality of our products by applying the standards of quality control and food safety.
- In our brands, we implement the programs reducing food waste: **HARVEST** and **Too Good To Go**.



- We've implemented the **GREEN global plan!** We want to reduce our energy consumption by **3% per year**. In the first quarter of 2019, we managed to achieve a reduction of as much as **11% in the energy consumption**.
- Thanks to the involvement and implementation of the programs aimed at preventing food loss, we reduce the amount of food waste.
- We reduce our negative impact on environment that is related to the operation of restaurants – for example, Sushi Shop doesn't attach menu leaflets to the online orders, the majority of Bacoa's packaging is **100% biodegradable** and Pizza Hut's takeout packaging is made of **recycled paper in 70%**.



- **100% of suppliers** of fresh vegetables delivered to our restaurants by vegetable producers in Poland, Czech Republic, Hungary, Croatia, Slovenia, Serbia and Austria are **GLOBAL G.A.P.** certified.

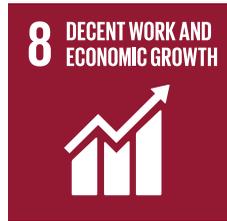


- We cooperate with the authorities, business and NGOs in the implementation of many projects, including **SIEMACHA Spot Wrocław** (City of Wrocław, Multi Poland company, SIEMACHA Association) and **HARVEST** (Food Banks, NGOs).

OUR BRANDS

Are present
all around the world

We're spread from Spain to China.



Global coverage means:

9 diverse and unique brands
in our portfolio

2 125 restaurants all around the world

25 countries in which we operate

Constant development and ongoing
improvement

In our portfolio



Restaurants specializing in delicious chicken with crispy breadcrumbs consisting of exceptional herbs and spices. **KFC** is committed to the prevention of food waste.



The largest coffee house chain in the world. Diversity is **Starbucks'** middle name.



One of the world's biggest restaurant chains with waiter service. **Pizza Hut** offers a wide range of pizza and more.



Restaurant and bar in one where the word "friendship" exists in every possible form. At **blue frog**, we support the career development of students in China.



Burger King is a fast food restaurant chain with over 60 years of tradition in serving flame grilled burgers.



Genuine Italian ingredients and original recipes. At **La Tagliatella**, we offer the atmosphere of charming Italian restaurants. We're committed to supporting local communities.



The largest sushi restaurant chain in Europe. **Sushi Shop** offers original recipes, the highest quality and unique interior design. We take part in a project that helps us reduce food waste in our restaurants.



A perfect place for burger lovers, local culture enthusiasts and sustainable development. At **Bacoa**, we offer meat from sustainable farms and drinks served in biodegradable cups.



Restaurants combining the oriental character of Asia with modernity. **KABB** is a perfect place for a meeting - from a family to business one.



AmRest



Building and operating a best-in-class portfolio of leading brands is one of the three key ingredients of our secret sauce consisting of People, Scale and Brands and its increasingly obvious that the combination of all three is close to impossible to replicate, which is why we succeed. On brands, we have added some great ones to our portfolio last year. We acquired SushiShop in the largest M&A deal in our history.

The brand is by far the leading sushi concept in Europe, the footprint geared towards delivery, the fastest growing segment in our industry and quality and brand recognition second to none. BACOA is yet another acquisition we closed last year and a brand in the premium burger segment which is highly differentiated and conquering its home market Spain by storm. Strengthening our position in digital delivery, a segment of increasing relevance for the whole industry, we have decided on a strategic investment in Glovo, Spain's leading food delivery platform and a partnership stretching over multiple countries... and after about a year, it is fair to say that the success of this exposure has exceeded our expectations by far. Going forward, we will stay laser-focused on maintaining and growing our portfolio of class-leading brands, which will stay an unbeatable advantage for AmRest in the years to come.

Peter Kaineder, Chief Strategy Officer

KFC restaurants are proud of almost a **90 year old tradition** in preparing delicious, crispy chicken. The secret behind the famous taste is a mystery secret for breadcrumbs which consist of **11 herbs and spices**. The recipe is 80 years old and one of **the world's most closely-guarded trade secrets**.

Countries where we manage KFC brand restaurants:

Poland, Spain, Germany, France, Russia, Czech Republic, Hungary, Bulgaria, Croatia, Serbia, Austria, Slovenia.

Brand established in: **1930**
Brand present in the AmRest portfolio since 1995.



2018:	
Number of all restaurants	779
Number of own restaurants	779
Number of franchise restaurants	0
Number of countries with restaurants	12
2017:	
Number of all restaurants	669

In 2018:

- We opened **93** own **KFC restaurants**, including the **250th restaurant** in Poland.
- We introduced many digital solutions such as **Order and pick up from restaurant – Skip the Line**, which already operates in most units in Poland.

The secret to the delicious KFC dishes:

- The **KFC** menu includes dishes prepared exclusively from whole meat pieces that are always breaded by hand just before serving.
- Fresh is the key to success! Products are delivered to the **KFC** restaurants several times a week, while meeting the highest standards of food safety.
- Quality at **KFC** is primarily based on local suppliers, selected, best farms and only proven and natural products.
- At **KFC**, frying oil is changed according to strict procedures.

Our impact on the environment:

- As many as 35% of KFC restaurants managed by AmRest take part in the **HARVEST** program which prevents food waste. We donate surplus chicken production to charitable organizations that support those in need.
(More about the HARVEST program in Chapter 6.)
- In 2018, we started working on the **GreenWay** project under which we're developing a network of electric vehicle chargers at our units. At the end of the year, we had seven negotiated and confirmed locations. The implementation process started in April 2019.
(More about GreenWay project in Chapter 5.)



Pizza Hut is one of the biggest pizza restaurant chains with waiter service in the world. The brand has created three unique formats that allow pizza enthusiasts to enjoy their favourite pizza both in restaurants and at home.



Countries where we manage Pizza Hut brand restaurants:

Poland, Germany, France, Czech Republic, Russia, Hungary, Slovakia, Armenia and Azerbaijan.



Brand established in: **1958**

Brand present in the AmRest portfolio since **1993**.



	2018:
Number of all restaurants	449
Number of own restaurants	227
Number of franchise restaurant	222
Number of countries with restaurants	9
	2017:
Number of all restaurants	327

In 2018:

- We opened **83** own Pizza Hut **restaurants**.
- We entered three new markets: **Slovak, Armenian and Azerbaijani**.
- **In the Czech Republic**, we opened two Delivery restaurants.
- At the end of 2018, we opened the first **Pizza Hut Express unit in France**.

Three unique Pizza Hut formats:

- **Pizza Hut Express** – pizza is ready in just a few minutes and may be eaten in or taken out.
- **Pizza Hut Delivery** – restaurant offering pizza home delivery.
- **Dine-In Restaurants** – a traditional restaurant model with waiter service and new **Dine-In** format with a renewed interior design, extended product range and innovative service solutions.

In 2018, we celebrated the 25th anniversary of the brand on the Polish market!

Our impact on the environment:

- Our pizza boxes are recyclable and made of **70% recycled paper**.
- In Poland, we support the “**no straw**” campaign. We provide straws only at the guest’s express request.
- In the Czech Republic and Slovakia, we segregate waste according to the following categories: BIO, plastic, paper and mixed waste.



Starbucks is a coffee house chain where best baristas brew excellent coffee that is sourced in an ethical way.

Most coffee beans used by Starbucks have **C.A.F.E. Practices certification**.

Countries where we manage Starbucks brand coffee houses:

Poland, Germany, Czech Republic, Hungary, Bulgaria, Romania and Slovakia.



STARBUCKS®

Brand established in: **1971**

Brand present in the AmRest portfolio since **2007**.



2018:	
Number of all restaurant	341
Number of own restaurants	341
Number of franchise restaurant	0
Number of countries with restaurants	7
2017:	
Number of all restaurants	301

In 2018:

- We opened **51** own Starbucks **coffee houses**.
- This year at **Starbucks** was a year of passion for coffee and good environmental practices.
- Starbucks has globally launched the **NextGen Cup Challenge** program which aims to introduce a new, completely recyclable type of paper cup.

Our impact on the environment:

- We appreciate the guests who come to our coffee house with their own cups and thus contribute to reducing the paper cup use. **We support their ecological attitude by offering them a discount on any drink.**
- **By 2020, we will have withdrawn plastic straws from our coffee houses.**
- In Poland, the **Starbucks** coffee houses were decorated for the Christmas period with living trees in pots. After Christmas, the trees were handed over to 48 beneficiaries and replanted.
- At **Starbucks**, we engage in social projects that equalize educational opportunities.

Find out more about them in chapter: "Together we change the world for the better", p. 132.



Burger King is a brand serving flame grilled **100% meat burgers**, without any additives. The dishes are always prepared just before serving.

Countries where we manage Burger King brand restaurants:

Poland, Czech Republic, Bulgaria and Slovakia.

In 2018:

- We received the exclusive right for the development of the **Burger King brand in the Czech Republic and Slovakia**. In both countries, we're planning to open more than **50 new units**.
- The national **Whopper Challenge finale** took place in the **Burger King** restaurant in Bielany Wrocławskie! In this competition, the restaurant employees compete to prepare a perfect Whopper which is our signature burger.
- We launched a delivery service on the Polish and Czech markets. The introduction of delivery channel allowed us to reach a larger number of guests. The first service tests were carried out through **PizzaPortal** in Poland and **Damejidlo** in the Czech Republic.

Brand established in: **1954**
 Brand present in the AmRest portfolio since 2007.



2018:	
Number of all restaurant	60
Number of own restaurants	60
Number of franchise restaurant	0
Number of countries with restaurants	4
2017:	
Number of all restaurants	54



La Tagliatella has a genuine Italian character. The brand's idea is to serve Italian cuisine to our guests in a friendly and family atmosphere that the Italian local restaurants are famous for. Our recipes and menus represent the **authentic taste of Italian cuisine**.

Countries where we manage La Tagliatella brand restaurants:

Spain, France, Germany, Portugal.

La Tagliatella[®]

Brand established in: **2003**

Brand present in the AmRest portfolio since **2011**.

	2018:
Number of all restaurant	249
Number of own restaurants	82
Number of franchise restaurant	167
Number of countries with restaurants	4
	2017:
Number of all restaurants	236

In 2018:

- For the first time in history, we hosted **more than 15 million guests** in our restaurants.
- We launched a new project of customer service management and optimization which allow us to manage over **40 thousand orders per year**.

La Tagliatella brand:

- At **La Tagliatella**, we offer **441 pasta and sauce combinations**.
- More than **40 raw materials and products are imported from Italy** in order to create our unique menu.
- At our Central Kitchen, we hand-make **4 thousand cannelloni** in five hours.
- **La Tagliatella** is the most popular casual dining brand in the Spanish social media (**over 1 million followers**).
- Our guests created nearly **25 thousand pizza recipes** in the latest edition of the **Fan Pizza** contest.
- Every year, we serve **400 tons of olives** as a free appetizer.

Our impact on the environment:

- We operate locally in accordance with our CSR plan, actively cooperating with institutions such as **The Down Association or Association for Childhood Cancer** in Leiden – the city where our Central Kitchen is located.
- The Central Kitchen employees have the opportunity to consult a physiotherapist who teaches correct body posture which greatly improves their wellbeing.



“

At La Tagliatella we are committed to offer our customers high quality product; for this reason, together with Association of Restaurant Brands of which we are members, we have signed an agreement with the Government whereby we adhere to the commitment to reduce in average 10% the content of sugar and saturated fats in our dishes, in order to contribute to healthy living of the country.

We are also aware that these habits must start inside company; that's why we promote fruit consumption amongst our employees through the initiative "Fruity Mondays".

Malena Pato Castel, COO Equity Brands

The **blue frog** brand was established on the initiative of two Americans living in Shanghai. They wanted to create a place that would be a piece of their homeland. That's how the restaurant, which combined the oriental character of China, American cuisine and a bar, was founded. The **blue frog** restaurant is a perfect place to meet up with friends and acquaintances that offers great food and drinks in a casual and relaxed atmosphere.

Brand established in: **1999**

Brand present in the AmRest portfolio since **2011**.

blue frog

BAR & GRILL

Countries where we manage blue frog brand restaurants:

China, Poland, Spain.

Character of the blue frog restaurant:

- We serve classic western dishes all day long – from breakfast to dinner.
- The bar, where a friendly and informal atmosphere thrives, is the heart of the **blue frog** restaurant – the bar has become the most important element in the brand's evolution.
- We treat our guests like our own friends – we're generous, hospitable and welcoming. We cultivate **blue frog's** spirit.

Our impact on the environment:

- In Poland, **blue frog** participates in the **HARVEST** program by donating the unsold, nutritious food to **Food Banks**.
- We cooperate with a university in China by implementing the **blue frog Elite Class** program that gives students a chance to develop their careers in our restaurants and make their dreams come true.

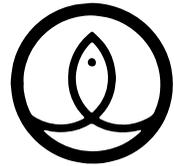
Find out more in chapter: "Together we change the world for the better", p. 132.



2018:	
Number of all restaurant	67
Number of own restaurants	65
Number of franchise restaurant	2
Number of countries with restaurants	3
2017:	
Number of all restaurants	45



The **Sushi Shop** brand is the European leader in the sushi sector. **Sushi Shop** has **20 years of experience** in creating and selling the highest quality sushi and building exceptional customer experiences. The chain offers sushi in restaurants and through delivery and take-away formats. Customers place more than **6 million of such orders a year!**



SUSHISHOP

Countries where we manage Sushi Shop brand restaurants:

Spain, France, Belgium, Italy, Germany, Switzerland, Luxembourg, Great Britain, Portugal, Saudi Arabia, United Arab Emirates.

Brand established in: **1998**

Brand present in the AmRest portfolio since **2018**.

	2018:
Number of all restaurant	170
Number of own restaurants	107
Number of franchise restaurant	63
Number of countries with restaurants	11

Character of the Sushi Shop brand:

- We create innovative sushi and sashimi recipes and other Japanese specialties that meet the expectations and requirements of our customers.
- We offer dishes of the highest quality which positions us in the premium category.
- We develop a unique and recognizable design of our restaurants.
- Our chefs prepare sushi on site so that the dishes are fresh and of the highest quality.
- The rice cooking processes are strictly controlled and standardised to maintain the highest quality.
- We care about the food safety with no compromises.
- The **Come in loyalty program** offers a wide range of benefits to Sushi Shop customers.

Our impact on the environment:

- We're a member of the **Too Good To Go** program for the foodservice industry which contributes to food waste reduction. The program is implemented in Great Britain, Belgium, Germany, Spain and France.
Find out more in chapter: "Together we change the world for the better", p. 132.
- Since 2018, we **don't attach menu leaflets to the online orders** – we ask our customers if they would like to receive them. As a result, we use less paper.



Bacoa is a brand that has its roots in Barcelona. It is dedicated to burger fans and its success is based on the careful preparation of dishes according to the principles of the Mediterranean cuisine, while ensuring efficient handling of the orders. This approach was the basis for the Bacoa's philosophy – **Fast food, slow process.**

The country in which we manage Bacoa brand restaurants:

Spain.

B A C O A

Brand established **2010**

Brand present in the AmRest portfolio since 2018.



	2018:
Number of all restaurant	7
Number of own restaurants	3
Number of franchise restaurant	4
Number of countries with restaurants	1

Character of the Bacoa brand:

- **Bacoa** is a place where we serve high quality and handmade burgers in a modern and creative setting.
- At **Bacoa**, everyone is welcome: we guarantee a friendly and professional service.
- Our customers may enjoy original recipes of our dishes at a competitive price. At **Bacoa**, taste, authenticity and transparency are all that matters.
- Our relationships with customers and suppliers are based on transparency, trust and mutual respect.
- We care about the natural environment.
- Our customers have a wide range of options: we offer ecological alternatives – beef, chicken, vegan and vegetarian burgers.

Our impact on the environment:

- The vast majority of our packaging is **100% biodegradable.**
- At Bacoa, we take the quality of our products, particularly beef, very seriously. Our suppliers specialize in **100% organic beef** breeding.
- Fanzine is our quarterly published by local artists (selected in an open competition) that contains information about us, our recipes and a number of other important projects.



The **KABB** restaurants are vibrant and suitable for a variety of consumer occasions – from business lunches to formal dinners. The first **KABB** restaurant was opened in one of the most prestigious places in **Shanghai – Xiantiandi**.

The country in which we manage **KABB brand restaurants:**

China.



Brand established in: **2001**

Brand present in the AmRest portfolio since **2012**.



2018:	
Number of all restaurant	3
Number of own restaurants	3
Number of franchise restaurant	0
Number of countries with restaurants	1
2017:	
Number of all restaurants	4





SAFER FOOD

Taking care
of everyone

We serve quality from the crop field to the table.

The highest quality thanks to:

Our global food safety procedures

Approach to selection
and cooperation with suppliers

The Central Kitchen
for La Tagliatella brand

Our attention to customer satisfaction

Food quality and safety is our priority

The key issue for us is the quality and safety of the food we serve. We build customers trust in our brands by offering them proven and safe products. We want them to be sure that the meals they order are always fresh and of the highest quality. This approach is part of our success.

Our most important responsibilities include issues related to the quality and safety of food products offered by our restaurants. We focus on the highest standards of food safety and quality of products in the entire chain of supplies and procuring fresh produce from local suppliers.

We improve the nutritional value of our food, taking care of its quality and safety throughout the entire supply chain as far as possible.

We cooperate with proven and reputable manufacturers, who are market leaders in product quality.



What do we focus on:

- food quality and safety
- responsible procurement and sales
- transparency of nutritional value information.



How do we look after the food we offer:

- We run laboratory tests of key products.
- We supervise our suppliers: our key partners are audited.
- We work to be more transparent about the quality and safety information of our meals and products.
- We develop partnerships with local suppliers.

Our global procedures

Each of the brands we manage has its own strict food safety procedures. They are all additionally verified by AmRest in order to achieve the highest food safety level. We implement global guidelines on food safety management:

Food Safety Fundamentals

The foundation for establishing and updating existing food safety standards for each brand in every country where we operate and the new markets we enter.

Brand Protection Monitoring System

These are global guidelines for product quality monitoring. What is more, each of the brands we operate has its own strict food safety procedures.

Suppliers Approval Process

The principles guiding the process of selecting and approving suppliers, including supplier audit programs and their scope. The process is applied in every country where we operate.



The best suppliers, the greatest attention to products

**To make
the food quality
perfect.**

We work closely with our suppliers, monitor our distribution centers and the supply chain. We enlist the help of laboratories, research centers, transportation companies, and certification organizations. Our suppliers are constantly supervised by veterinary services and authorities responsible for sanitation and epidemiology.



Successful procurement

We always make purchases in a transparent manner and based on procedures and guidelines. This is why we choose the best suppliers. Many of them have a long history of cooperation with us.

	2017	2018
Suppliers	11 931	13 846
of which food suppliers	1 167	1 211

In 2018 all of our suppliers underwent **GLOBAL G.A.P.** certification for fresh produce delivered to restaurants by produce manufacturers for the Central Europe Division (Poland, Czech Republic, Hungary, Croatia, Slovakia, Austria, Serbia). **GLOBAL G.A.P.** is a system of monitoring and control of primary production at the produce suppliers.

Find out more in chapter: "Everyday ecology", p. 116.



Expenditure made on suppliers in the Spanish and Polish markets.

	Percentage of expenses
Local suppliers	86,5 %
Foreign suppliers	13,5 %



I believe SCM* is focused on partnerships and belief in their suppliers is key for them and key to their success. Knowing what they believe the real issues are, honest communication with each other, and working together to remove barriers which would prevent us from being successful.

The value of our cooperation is immeasurable in dollars. The value of the partnership cannot be put into dollars and cents. We would have not been successful without clear communication, the support of all of the SCM team, and the belief they have shown in us, even when it seemed that we would never understand the product attributes. They stayed with us unwavering in their belief that we could do it!

Paula Marshall,
CEO at Bama, supplier of AmRest Group

* SCM Sp. z o.o. is an AmRest Group company responsible for cooperation with suppliers and procurement of products.

Our actions and the highest standards

We undertake a number of activities in the procurement processes to select the best supplier. We check if our current suppliers comply with strict AmRest standards. We transport the ordered food to our distribution centres, and then deliver it to the restaurant. Everything happens with the utmost care for the principles of hygiene and food safety. For La Tagliatella brand we use the Central Kitchen, which is described on page 83.

All our suppliers are trusted and carefully selected. Each of them must have a GFSI food safety certificate, additionally our most important suppliers are audited annually. The products delivered to our restaurants are monitored in the supply chain so that we can ensure their quality. Key products for each brand, such as fries in KFC are tested several times a year by the quality control department for compliance with the specification.



The main goal of Food Service is to ensure an efficient supply chain for the entire AmRest Group. This requires for e.g., an intensive development of the Central Kitchen, serving the growing network of our restaurants. Together with our business partners, we are constantly looking for solutions that will allow us to increase efficiency while respecting sustainability matters.

We want to develop in a responsible manner, which is why relations with suppliers are our priority. Reliability and flexibility are key aspects of the cooperation. Despite the growing scale of our business, the local character of partners is still an important factor for us. We understand that close cooperation brings measurable benefits to both parties. Many of our partners grow with us: they improve production processes or invest in logistics, becoming leaders in their industry.

Ramanurup Sen, Food Services President



AmRest highest standards

1

We choose the best suppliers of products

- During the procurement procedure we check the international quality certificates held by the manufacturer.
- We evaluate equipment, technologies and sanitary standards by visiting the manufacturer's plant.
- We check the procedures of procuring raw materials for production, as well as their origin and how they are controlled.

We control suppliers, with whom we already cooperate

2

- We check the validity of international quality certificates held by the manufacturer.
- We commission and check the results of additional quality audits according to specific requirements of a given brand. If necessary, the supplier is obliged to implement corrective measures.
- We conduct random checks. We collect and transport products from producers to distribution centres and restaurants.

3

We collect and transport products from producers to distribution centres and restaurants

- Deliveries from manufacturers are made by specialized refrigeration vehicles.
- We monitor the temperature during transport.
- We check the hygiene and cleanliness of the means of transport.
- Distribution vehicles are equipped with GPS location monitoring of the means of transport and control and monitoring of the process of opening the door of the vehicle during unloading.
- Additional curtains in the vehicle door prevent temperature from rising during unloading.
- We outsource audits of distribution centres and deliveries to restaurants.

5

We inspect food products in restaurants and coffee houses

- When preparing meals for our guests, we always pay attention to the highest standards of food safety and quality.

4

We store food for our restaurants in distribution centres

- We check the temperature in distribution centres when the products are received from the supplier and during storage and shipping to the restaurant.
- We perform a detailed check of the temperatures of the equipment and products at least twice a day. In the cold store and freezer area we have electronic temperature monitoring.
- We control product expiry dates and product rotation dates in the warehouse so that the restaurants receive products of the best parameters and so that a secure delivery management system is ensured.
- The distribution centres have strictly defined cleaning and hygiene procedures.
- We also outsource audits to third parties.



Quality on the plate – safe meals in our restaurants



FRESHNESS

We operate systems of control of expiry dates and the product rotation system in the restaurants.

OPTIMIZATION

Managers of our restaurants and coffee houses are supported by the procurement system which optimizes the necessary quantity of products and ensures that products are fresh in the restaurant.

STORAGE

We equip our restaurants and coffee houses with dedicated storage rooms – cold stores and freezers, with electronic temperature control and appropriate equipment for product storage.

CLEANLINESS

We use professional cleaning and/or disinfection high efficiency agents, and use equipment that guarantees that such agents are effectively dosed – the concentration of agents is constantly controlled to maintain the highest effectiveness.

AUDITS

We carry out unannounced audits and inspections of restaurants, which are conducted by the internal audit department and third-party independent auditors.

QUALITY

We provide regular training on hygiene and quality standards.

SAFETY

We use procedures for handling products in restaurants to maintain the highest quality and safety of the products.

HYGIENE

We use hand wash and/or disinfection systems for the employees.

CONTROL

We have implemented control systems for thermal treatment processes – among others frying and roasting to ensure the highest quality and safety of foods.

La Tagliatella®

In the Central Kitchen of La Tagliatella brand

Everyday, our experienced team works on developing unique recipes that draw from tradition as well as the latest trends in Italian cuisine. In this process, the Central Kitchen has introduced the latest technologies of quality assurance and safety procedures, which guarantee the preservation of natural and traditional properties of the product.

Unique nature of the La Tagliatella brands and the Central Kitchen concept:

- Our chefs prepare new recipes, remembering that these dishes must be special for our customers.
- We use excellent ingredients that come directly from the best suppliers.
- We take care to deliver products from the Central Kitchen to La Tagliatella restaurants to preserve their highest quality and to ensure food safety.
- All processes are carried out under the strict supervision of our quality assurance team to ensure not only excellent but also safe food.

To begin with, local produce means value.

The closer the supplier is to us, the better. However, our main area of specialization are products of Italian origin, which means frequent use of products with DOP⁴ certification. These include Parmigiano Reggiano or Gorgonzola cheeses, which we obtain directly from our suppliers in Italy.

⁴ Denominazione di Origine Protetta means Protected Denomination of Origin.

We manage foods in the Central Kitchen in an efficient and responsible manner – our manufacturing process generates little food waste, which is recycled into fertilizer.

We are in contact with many of our current and potential suppliers. We receive many food samples from them. This process allows us to constantly improve the menu. For years, we have passed these samples to the local food bank to help those in need and to reduce food waste.



Local suppliers

Well-established cooperation with local suppliers is very important to us. We still cooperate with many of our suppliers from when we first opened our first Pizza Hut restaurant in Wrocław. For many years we have supported each other and together we've built our success.

Direct purchases from local suppliers (which are over 80% of suppliers for the Central Europe division) are carried out through our company - SCM, which is responsible for all processes in the purchasing procedure.



We started to talk about cooperation in 1990. In 1992 we fulfilled the first order. Production was carried out at the Warsaw plant, in Żerań. Early cooperation was based on a small range of products, but every year the range of products has grown. The production value has grown rapidly year on year. The rate is now in double digits and we still have the potential for growth – not only in Poland.

In 2017 we manufactured more than 60 dedicated sauces.

In 2006 we moved to a new plant in Radonice near Warsaw. Thanks to cooperation with AmRest, we were the first company in Poland which focused on and specialized in the catering market. Thanks to cooperation with AmRest, Fanex received BRC&IFS certificates as the first company in Poland.

Current cooperation has been developed over 26 years and is based on top quality guarantee, availability, flexibility and trust. We are your loyal producer and will continue to invest all of our skills and knowledge in developing this cooperation.

Przemysław Olczak,
Fanex Sourcing Manager



Cooperation between MLEKOVITA and SCM sp. z o.o. is based on mutual trust, which is a pillar of partnership business, built on the wide range of products offered by MLEKOVITA. To ensure our mutual development, we take care of customer satisfaction by offering them products tailored to their needs and tastes. We set ambitious goals for each other and we successfully achieve these goals. MLEKOVITA offers the highest quality of products and supplies UHT milk, which includes lactose-free milk, UHT cream, cheeses and cottage cheeses, which include cheese fingers, butter, fat, and yoghurt. SCM is responsible for selling these products at its shops. The cooperation is based on partnership, taking care of mutual business and respect for mutual needs in fulfilment of the goals set.

Dariusz Sapiński,
President of the Management Board
of the MLEKOVITA Group



MLEKOVITA

* SCM Sp. z o.o. is an AmRest Group company responsible for cooperation with suppliers and procurement of products

Satisfaction of our guests

Our commitments

One of the important topics regarding our food is the transparency of information on the nutritional value of our products. We have introduced many changes that have provided our customers with greater choice and knowledge about our food. We are in the process of implementing our commitments and setting new goals so that the products we offer meet their expectations.

Information about the ingredients of our products and allergens are published on the websites of brands that we manage. In Burger King restaurants, such information is stated on the boards, and in KFC on paper trays. We plan to make such information available in the KFC app as well. In Starbucks coffee houses, customers may ask the barista for the full information.



Activities pursued by AmRest brands

Level of implementation of our commitment	Still working on it	Currently implemented	In progress	Completed
KFC®				
We do not use palm oil for frying. For products which contain palm oil as an ingredient, this must be the RSPO palm oil.	●	●	●	●
We will eliminate cage eggs which we use for breakfast in KFC.	●	●	●	●
For the existing or new products which contain eggs or are made with eggs as ingredients, we will strive for eliminating the use of cage eggs.	●	●	●	●
We will introduce paper packaging made of 100% fibre procured from sustainable forests (FSC, PEFC, SFI) or recycled packaging.	●	●	●	●
Minerals containing gold, tin, tantalum and tungsten will not be used as raw material in toy products or promotional materials.	●	●	●	●

Level of implementation of our commitment	Still working on it	Currently implemented	In progress	Completed
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If we use palm oil, it comes only from controlled crops that do not destroy rainforests.	●	●	●	●
We will replace ingredients coming from cage eggs with cage-free eggs.	●	●	●	●
We will eliminate artificial colouring and flavourings, we will also cooperate with suppliers on the modification of recipes, substitution of ingredients or replacement of products.	●	●	●	●
We will not introduce new products that do not meet requirements of the Starbucks brand.	●	●	●	●

Level of implementation of our commitment	Still working on it	Currently implemented	In progress	Completed
---	---------------------	-----------------------	-------------	-----------



We are working on eliminating artificial colouring and flavourings as well as monosodium glutamate.	●	●	●	●
We strive to completely remove palm oil or, if that is not possible, replace it with oil from RSPO sources.	●	●	●	●

Level of implementation of our commitment	Still working on it	Currently implemented	In progress	Completed
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We are committed to eliminating certain food additives, including artificial colourings, flavourings and preservatives	●	●	●	●
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Customer feedback is important to us

Opinions from guests who visit restaurants that we manage and their satisfaction is an important element that influences decisions in the process of continuous improvement. The information obtained by testing the level of satisfaction of our customers helps us improve restaurants of all brands worldwide. Customer satisfaction is the best indicator of likelihood that they will visit AmRest restaurants in the future and a valuable tip on what we should pay attention to at the level of brand or single restaurant.

Customers, their satisfaction and experience at the restaurant are always the center of our attention.

Channels of communication with AmRest which may be used by customers

-  contact form on KFC, Pizza Hut, Starbucks, Burger King, www.amrest.eu websites
-  hotline
-  survey available in each restaurant or on-line on the brand website,
-  e-mail sent to the e-mail addresses of individual brands
-  individual talk with the restaurant team
-  contact via social media for individual brands

We do not let our customers wait too long. The maximum time of our response to queries is 72 hours.

After visiting our restaurant, we invite our guests to fill out an online survey⁵. Each operating leader at the shop manager level has personal access to results. With reports based on customer feedback, every week the management team sets weekly priorities to increase customer satisfaction in the restaurant or the entire region.

With our internal communication culture, results of customer satisfaction are elevated during operating meetings to the top tiers (Presidents of brands) to the restaurant level (restaurant managers). All results of customer satisfaction from the online 72 reporting tool facilitate easy and adequate decision-making and continuous improvement of the restaurants managed by us.



Results of the overall customer satisfaction survey in 2018, broken down by brands

Brand	Result ⁶
	83
	82*
	75
	73
	72
	71
	71
	69

⁵ Depending on the specific frequency of visits recorded in the POS system.
⁶ The result means % of awarded highest score of overall satisfaction level (where the maximum score = 100% of awarded highest scores for overall satisfaction level).
 * data collected in the period from November to December 2018.



The number of queries made by customers in 2018, broken down by brand

Brand	Number of queries
	185 000
	90 000
	70 000
	60 000
	25 000
	20 000
	1 000



In 2018 more than **1 000 of our restaurants** could benefit from AmCare, and more than **1 200 employees** and AmCare users were trained and use the tool everyday.

AmCare – effective management of guest opinions

In 2018 we deployed AmCare, the customer opinion management system. It is a unique tool that aggregates opinions, complaints, comments or ideas of customers, which is available on all devices, including smartphones. The tool supports collection of feedback from various sources, such as online forms on websites, Facebook comments, email opinions, AmRest customer satisfaction surveys worldwide.

In 2018 AmCare offered a 7-day customer service support in Poland and Starbucks in Germany. We plan to provide 7-day support for customer service in other markets as soon as in 2019.



As Customer Care Team, in 2018 we launched the Global Customers Feedback Management Online system – AmCare. All types of Customer Feedback from all brands and different resources - emails, contact forms, Google reviews, phone calls, brand online surveys in Poland, Czech Republic, Slovakia, Hungary, Romania, Germany, Russia - are tracked by AmCare & the TEAM with daily online reporting reflected by Global Customer Feedback data. We've trained more than 1 200 AmCare users across AmRest to ensure a fast quality resolving process to make our Customers happy and win their hearts back! 2018 was an outstanding and challenging year! We are energized and ready to continue Customer Care growth by bringing digital solutions (chatbots, voice to text & etc) and enhancing further Customer Care alignment to ensure 24 hour quality support for our Customers across AmRest!

Marina Dragunas,
Global Performance Management & Compensation Lead

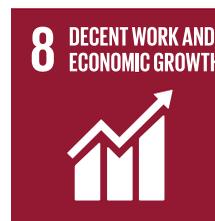


FUN TOUGH CAREER

THROW DOWN THE DICE

Wszystko
Jest Możliwe!

We have a unique work (and after work) culture.



Our fun workplace:

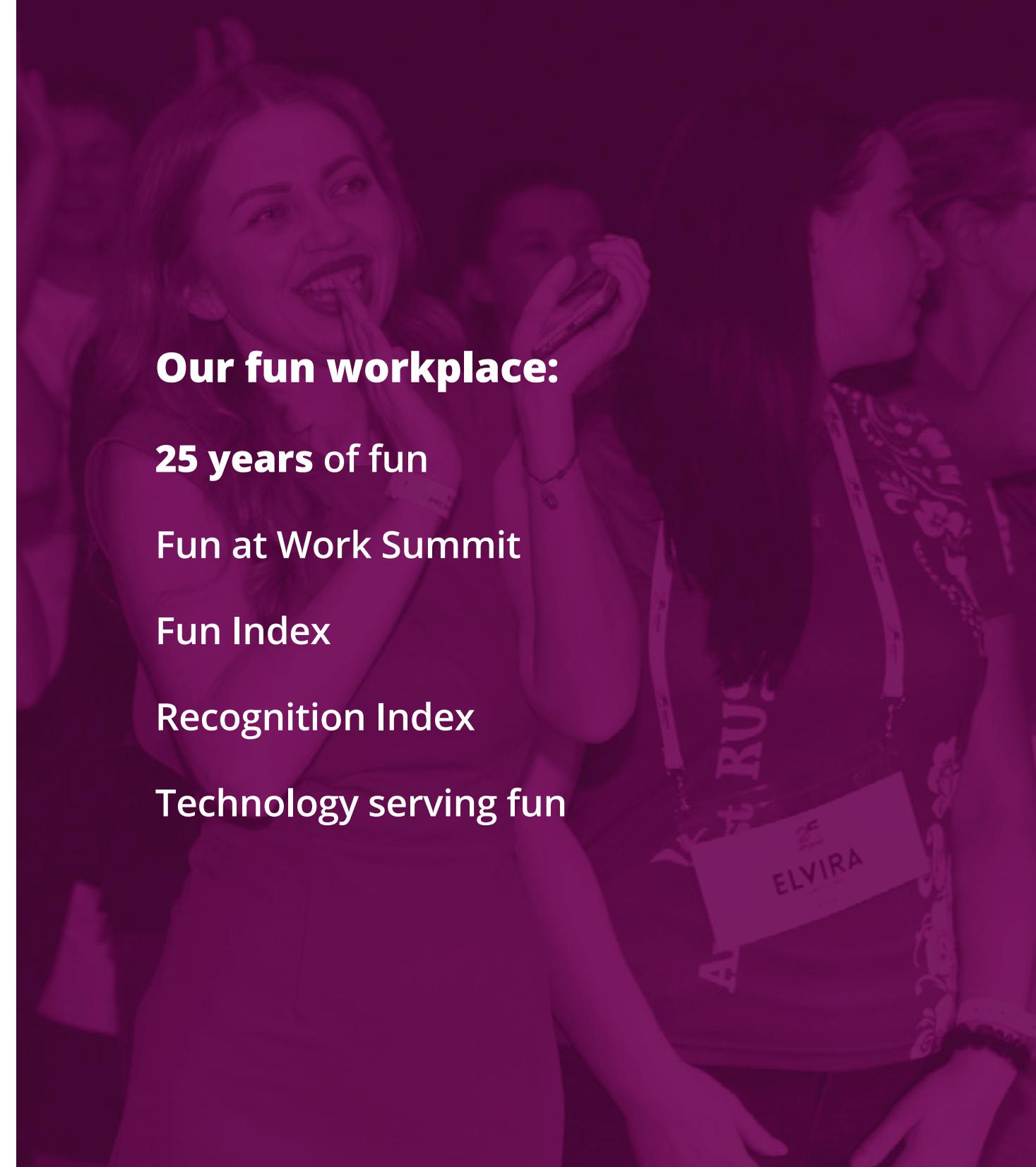
25 years of fun

Fun at Work Summit

Fun Index

Recognition Index

Technology serving fun



25 years of fun

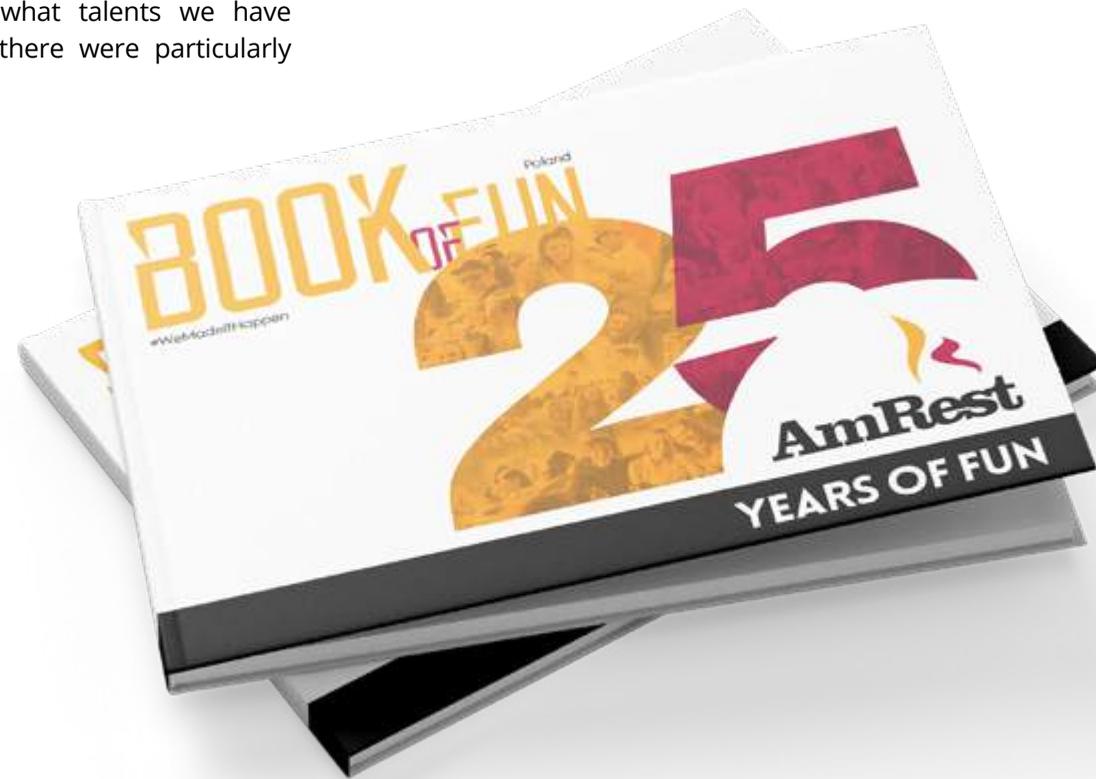
2018 was a jubilee year for us – on 9 November 2018 was 25 years since the first AmRest restaurant opened. It was an opportunity for us to emphasize our dedication to culture even more and to celebrate **25 years of fun** with our employees.

At AmRest we know that corporate business success is all about the people – it is with them that we wanted to celebrate and enjoy our success and to appreciate their contribution to our development. As part of the communication campaign, we performed a number of activities designed to present the company's history, milestones, key figures and facts. We wanted to illustrate the 25 years of our history with memories of specific employees and show what talents we have in our organisation – this is why there were particularly unique events.

Book of FUN

For our 25th anniversary **the Book of FUN** was published. The book contains the most important information and interesting facts about our development. Our employees from various markets – from Poland, the Czech Republic, France, China and Spain – shared their memories.

#wemadeithappen



Leadership University of AmRest

LUA (Leadership University of AmRest) is the most important event at AmRest which is targeted at the managerial staff. It is an opportunity to spend some time together, discuss the results and challenges, talk about business goals and ambitions. **LUA 2018** was a unique event, with nearly **1 600 people** from **16 countries** participating: managers of our coffee houses and restaurants and managerial staff from offices and operations. We met to celebrate our 25th anniversary and show our plans for the future. The event was full of plenary and workshop sessions, but also integration events. During **LUA 2018** there was a global final **AmRest Grows Talent**.



AmRest Grows Talent

To present our employees and their talents, we organized the first global talent competition in our history, **AmRest Grows Talent**. We invited employees from all countries to share their skills. We were looking for those who could sing, dance, paint, take part in spectacular sports. Simply all those people who wanted to show off their talents!

There were national eliminations at each stage, and the winners were invited to a global final organized as part of a unique LUA edition, Leadership University of AmRest. Over 100 courageous, talented people took part in the competition and in the global finals. – 10 finalists representing different countries.



Training of new employees

We perform onboarding of new employees by using specific procedures. In Poland this involves a four-stage process which prepares employees for work in coffee houses and restaurants. The training includes preparation, presentation, internship with the supervisor and certification.

In Poland, in 2018 we devoted **255 470 training hours** to training of new employees. This includes employees of KFC, Pizza Hut, Burger King, Starbucks and blue frog restaurants.



The number of participants of selected AmRest development programmes in 2018

Qualification Commissions	1 664
Employees promoted after Qualification Commissions	1 365
Participants of Job Performance Appraisal	8 344
Participants of Spread Your Wings programme	2 000



People: 25 years of AmRest in numbers

IN 1993 WE EMPLOYED

60 people

CURRENTLY WE EMPLOY NEARLY

49 000 people

AND THIS NUMBER IS GROWING

NUMBER OF PEOPLE WHO WORKED WITH US AT VARIOUS STAGES OF OUR DEVELOPMENT IS NEARLY

half a million!

WE ARE HAPPY THAT OUR **WSZYSTKO JEST MOŻLIWE!** CULTURE HAS BEEN ATTRACTIVE TO SO MANY PEOPLE!

THE RATIO OF INTERNAL PROMOTIONS IS

more than 80%

EACH NEW RESTAURANT MEANS

dozens

OF NEW JOBS

IN **2017** WE EMPLOYED



16 670
men



38 273
employees



21 603
women

IN **2018** WE EMPLOYED



22 470
men



48 846
employees



26 376
women

AmRest attracts a lot of young employees. More than **35 000 people** working at AmRest restaurants, coffee houses and offices are under 30. Most of them are students and young people for whom we are the first employer. Such young people prefer to sign mandate contracts or term contracts with us, instead of a fixed-term contract of employment. They definitely value the opportunity to work part-time and decide on their roster.

Flexible working hours allow them to balance work and study time, gain work experience, and in some cases return to work after a longer break.

Number of employees by type of employment, by gender:

	Full-time	20 809
	of which women	11 498
	of which men	9 311
	Part-time	28 037
	of which women	14 878
	of which men	13 159

Number of employees by type of contract, by gender:

	Fixed contract, for an indefinite period	33 041
	of which women	18 175
	of which men	14 866
	Contract for a specific time, for a definite period	15 805
	of which women	8 201
	of which men	7 604

In November 2018, we signed the **Diversity Charter** in Poland. It is a written declaration, signed by the employer, who undertakes to prohibit discrimination in the workplace and take actions to create and promote diversity and expresses the organization's readiness to involve all male and female employees and business partners in these activities.



Number of AmRest Holdings SE employees in 2018 per country, by age.

Country	Age of employees			Total number of persons
	< 30 years	30-50 years	> 50	
Austria	12	3	0	15
Bulgaria	253	72	0	325
China	1 502	687	160	2 354
Croatia	138	64	0	202
Czech Republic	5 568	1 051	126	6 745
France	4 734	1 902	213	6 870
Germany	1 807	1 173	92	3 072
Hungary	1 249	491	84	1 824
Poland	12 092	2 710	293	15 095
Portugal	33	19	3	55
Romania	468	120	2	590
Russia	5 689	805	103	6 597
Serbia	212	30	0	242
Slovakia	74	7	0	81
Slovenia	12	7	0	19
Spain	2 536	1 514	125	4 175
US	0	0	3	3
Switzerland	116	61	4	181
Great Britain	47	39	2	88
Belgium	128	72	4	204
Italy	8	14	1	23
Luxembourg	37	36	13	86
Total number of employees	36 715	10 877	1 228	48 846

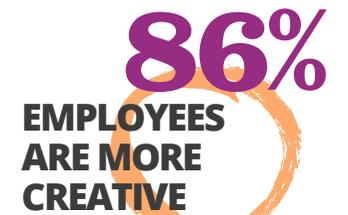
Fun at work matters

In 2018, for the first time we asked Poles what they think about fun at work. **88% of respondents** confirmed that fun at work is very important to them. The survey also showed that a happy employee is more effective, less stressed, has more energy and has better relationships with others. We presented the results of the study in the report and discussed it during the **Fun at Work Summit** – the first conference in Poland on fun at work. The topic turned out to be so important for the participants that we decided to continue our activities related to promoting fun and happiness at work.

With Preeshare, Allegro, HRM Institute and Employer Branding Institute we launched the **Recognition Index** initiative. In Q1 2019, together with the HRM Institute and Universum, we ran the second edition of the **Fun at Work** survey. This time, we went beyond the Polish borders and invited residents of several countries (Europe, China, Russia) to take part in the survey. The preliminary survey results, trends and good corporate practices were presented at the second edition of **Fun at Work Summit**, whose main theme was recognition at work.



WITH FUN AT WORK:



Fun and employee experience

We have been conducting employee opinion surveys for years, which allows us to define our strengths as an employer and areas for improvement to become an even better place to work. When we started working on employer branding strategy, we analysed opinions collected over the recent years; information gathered during individual and group meetings with employees; what the world says about us. We have been positively surprised that the opinions gathered through surveys have been very consistent: the employees agree that AmRest is the place where they simply have FUN because they can develop, they have an actual impact on the business and work in a unique environment with people they like. This should come as no surprise – AmRest history is 25 years of fun, and **Bring Fun to Life is our mission!**

This is how our promise as an employer was born, the Employee Value Proposition – every day we make sure that AmRest is a **fun place to learn, lead and love**: a place where you can spread your wings, have an impact on the business and do what you love in a friendly environment.

Fun at work for us is of strategic importance. We also know that it is our shared responsibility – everyone has an impact on their sense of fun and happiness at work. This is why we have developed our own methodology to measure fun at work and make AmRest an even more fun place to work!



We believe that FUN at work helps us to attract the right talents who want to develop with us, strive for the best and stay with us as long as possible. We want our employees to feel every day that AmRest is a fun place to learn, lead and love.

At the same time we are proud of our unique organizational culture – our “Bring Fun to Life” mission; the core belief that “Wszystko Jest Możliwe”; and The Core Values: they are the common denominator for all AmRestees which lets us achieve business success. For a long time, we have been looking for the methodology which would allow us to measure the employee experience and answer the questions if our culture is “alive” and if our employees actually see AmRest as a fun place to work.

We understood that this would be possible only with our own methodology – this is how the FUN Index was created. It's tailor-made methodology rooted in our unique culture, based on the idea of continuous listening and dialogue, and the shared responsibility of employees for their engagement. We believe that thanks to FUN Index, AmRest will be an even more fun place to work and all AmRestees will take care about fun at the workplace – it's our common responsibility.

Kasia Zadrożna,
Culture & Communication Global Lead



Fun Index is:

SURVEY

With FUN Index AmRest employees can speak and tell us what they think of us as an employer.

OBSERVATIONS AND CONCLUSIONS

FUN Index is a source of knowledge about employee involvement, conditions at work and alignment of employees with AmRest culture.

ACTION PLANS

FUN Index is the system of planning individual and team actions to make AmRest an even more fun place to work.

Why the FUN Index name?

The **FUN INDEX** methodology is inspired and derived from our unique culture!

The AmRest mission is **BRING FUN TO LIFE** – FUN is a part of our corporate DNA!

We do everything to create **A FUN PLACE TO LEARN, LEAD AND LOVE** – a place full of FUN for every AmRest employee.



The power of Employee Recognition

The desire to be appreciated is one of the basic human needs that applies to both private and professional relationships. Positive feedback in the form of praise, recognition or reward is clear confirmation and acceptance of the employee's actions.

Fun at Work Survey 2018 conducted by HRM Institute at the request of AmRest shows that employee recognition is one of the most important attributes of the employer's brand – indicated by **94% of respondents**.

In AmRest we know how important recognition is – for us it is one of the key elements of creating a fun workplace. We have numerous local and global employee recognition programmes. We reward ambassadors of our values for, among others, commitment, implementation of breakthrough solutions and outstanding efficiency.

Together with Preeshare, Allegro, HRM Institute and Employer Branding Institute we decided to test the power of recognition at the workplace and invited Poles to take part in a nationwide study, the results showed that an appreciated employee is happy, more efficient and willing to recommend their workplace.

Survey results are available in a special report **Recognition Index**. The report can be downloaded from: www.indeksdoceniana.pl

Recognition at least once a week is:



76%
a greater sense of fun / happiness



78%
higher level of energy



74%
more willing to recommend the employer

RECOGNITION



IS POWERFUL



30% OF THE RESPONDENTS WORKING MORE THAN 3 YEARS FEEL THAT THEIR WORK IS UNDER-RECOGNISED

RECOGNITION IS THE SECOND MOST IMPORTANT ATTRIBUTE OF THE EMPLOYER*



* according to HRM Institute survey for AmRest

WHO IS PRAISED MOST OFTEN?



Our employees also participated in the **Recognition Index** survey. **98% of AmRest staff** stressed that recognition at work is very important to them. 82% of those who filled out the survey confirmed that we have an official recognition system at AmRest. **70% of employees** know what aspects of their work are appreciated.

A total of **83% of employees** who participated in the survey are actively involved in their tasks. This proves that recognition is powerful!



AmSpace – technology serving fun

Technology changes the way we communicate, work together and perform our tasks. With digital solutions we are faster, more effective, we do more and we know more. Digitilization is present in all aspects of our lives – it is not surprising that we see progressive automation and digitilization in the workplace. Modern technological tools mean faster processes, more time for strategic operations, cost optimization, and even improvement of the corporate image. Microsoft research shows that for 93% of millennials, availability of modern technological solutions in the company is important when choosing a future employer. The Y generation is now the majority of the AmRest team, and this is why implementation of digital tools that let the employees communicate better, develop faster and meet their goals more effectively is one of our priorities.

Hence we decided to create a single platform to integrate key HR processes such as employee development, succession planning, employee performance management, employee evaluation, recruitment and internal communication. Most companies use off the-shelf solutions, but we decided to create our own tool, fully adapted to our processes and employee expectations - to provide them with a better experience full of fun!

Right now, nearly **40 000 employees** use **AmSpace**; ultimately the platform will be available to everyone. Through **AmSpace**, employees may access the knowledge base, training paths or their Individual Development Plan. They can also plan their goals and priorities (annual and monthly) in combination with the corporate business strategy. Other functionalities include surveys and opinion polls, **AmNet** – an internal communication module and employee appraisal.

Functionalities developed in AmRest were based on consultations with our employees. While working on individual modules, we tested the platform among a selected group of employees and listened to their opinions. Based on the feedback, we continuously improve and develop **AmSpace** – everything to make HR processes more pleasant and fun for them.



“While most companies use off-the-shelf solutions, we decided to do something of our own. We built AmSpace from scratch - when developing the platform, we try to adapt it to key HR processes and employee expectations. This is why AmSpace has become a centre of information, training, development and evaluation for our employees... We have managed to integrate the most important processes of soft HR on the platform and reach employees at all levels. This is the first global platform that allows us to communicate with employees who represent all our brands, market and functions.

Nina Sztajdel, HR Innovations Global Lead



TALK

through AmRest **AmNet 2.0**

Discover a new communication centre and stay in touch with your team.

Functionalities available in AmSpace:

- User profile
- Knowledge base: a library and search engine to find AmRest employees and materials
- E-courses
- Surveys/opinion polls
- **FUN Index** – a platform to measure employee experience, analyse the results and create action plans
- Personal development (including the possibility of creating the **Individual Development Plan**)
- Performance management (monthly priorities, annual goals, employee assessment)
- **AmNet** – internal communications



A new face of Job Performance Appraisal

Job Performance Appraisal

At the end of each year, we invite our employees to summarize their performance, achievements and development over the past 12 months.

For the first time in AmRest history, **JPA 2018** took place in AmSpace. Until now, filling out all the forms took a lot of time for both the supervisor and the employees, and raised many questions and doubts. We wanted to simplify the process in such a way as to make it understandable and user-friendly.

JPA is an opportunity to:

- sum up individual and professional achievements of the passing year,
- deepen the relationship with the superior by conducting a candid and open conversation,
- pay attention to successes achieved during the year – both your own and of your team,
- analyse our next steps in the professional career and define plans and goals for the next year

JPA 2018 – what has changed?

- new system: AmSpace (our own HR platform)
- simplified forms: less information to be filled in, less time to complete forms
- new, more intuitive assessment scale



Safety at the workplace

The health of employees and prevention of work-related accidents is of particular importance to us as part of workplace management. Most of us work at coffee houses and restaurants and operate machines used, among others, to prepare meals and beverages.

To ensure legible rules of operation, the brands managed by us have implemented detailed OHS procedures and manuals as well as the occupational risk assessment.

100% of operational staff (OPS) undergo mandatory training on health and safety procedures on, among others, correct hand washing, disinfection of kitchen tools and product temperature control.

Occupational health and safety issues are regulated in accordance with the laws of the countries in which we operate. In Poland, compliance with the OHS at our coffee houses and restaurants is supervised among others **by 90 health and safety inspectors.**



Workplace injury rate in AmRest Group in 2018⁷

Work-related injuries	women	246
	men	206
Injury rate at work ⁸	women	11,73
	men	12,16
Fatal accidents in the workplace	women	0
	men	0
Occupational diseases among employees	women	0
	men	0
Types of injuries	Bone fractures and cracks	
	Burns	
	Internal injuries	

⁷ The figures pertain to all AmRest markets with the exception of Germany and the countries where the Sushi Shop Group operates. The figures cover 88.75% of AmRest employees.

⁸ Number of accidents / number of employees * 1 000.

EVERYDAY ECOLOGY

Our impact on the environment

We implement innovations for the environment.



AmRest environmental activities in 2018:

GREEN! – a project to optimise
energy consumption

A KFC restaurant building, **LEED** certified

GLOBAL G.A.P. Certification of our suppliers

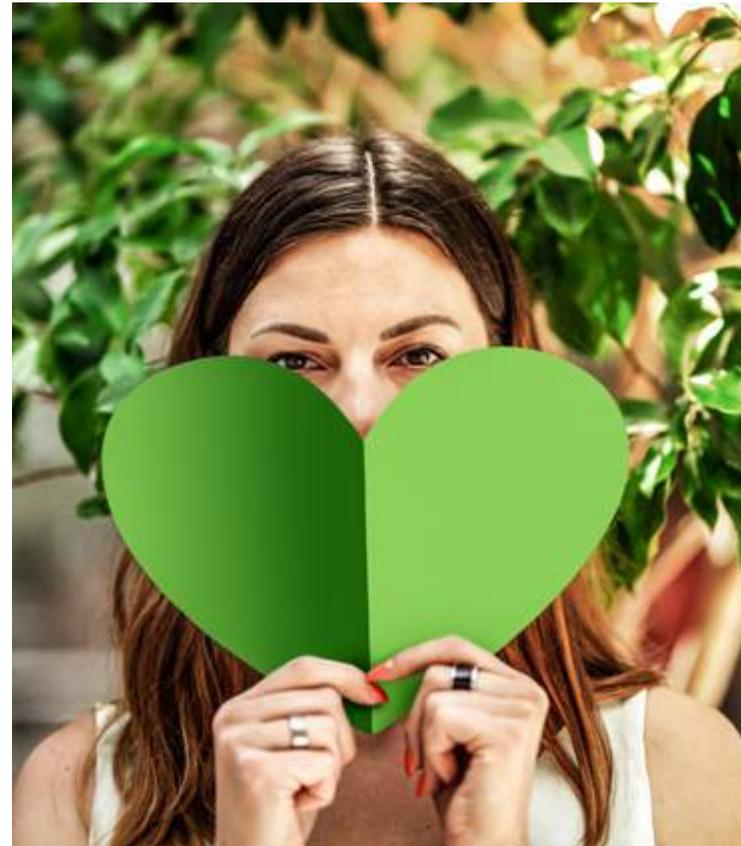
Our approach to environmental impact

Environmental issues are of key importance to us in our approach to doing business. This results both from our belief in the importance of actions which minimize the negative impact on the environment and is a response to the changing legal conditions.

Everywhere we operate we try to manage our environmental impact in a sensible and responsible way. The large scale of our operations and constant development motivates us to think about the environment on a global scale, but the effectiveness of our efforts is possible only through careful and detailed observation of the implemented processes at the level of everyday operations of every restaurant.

Because of the diversity of markets in which we operate, the challenge is to prepare a uniform environmental policy that would apply to every area of our business. Nevertheless, we plan to set global environmental principles for our company. At present, we expect individual countries to take measures to protect the environment and optimize the use of natural resources.

An important step for us was to set global goals for energy efficiency and reduction of energy consumption.



Our ambition:

We conduct our business with respect for the natural environment. We always look for innovations and solutions that make our activities more environmentally friendly.

Examples of our good practices





Pro-environmental activities on the example of selected brands



- The KFC brand participates in the **HARVEST** programme, which prevents food waste. This is why we reduce the weight of food waste and CO₂ emissions from such waste.
- In 2018 we began work on the **GreenWay** project, where we are developing a network of e-vehicle chargers at our restaurants.



- Our pizza boxes are recyclable and are made from **70% recycled paper**.
- We support the “**no straw**” action in Poland. We hand it out at the express request of the guest.
- In the Czech Republic and Slovakia, we segregate waste by category: BIO, plastic, paper and mixed waste.
- The Pizza Hut brand in Poland participates in the **HARVEST** programme and donates food which did not sell to **Food Banks**.



STARBUCKS®

- Guests who visit the coffee house with their own cup and do not use paper cups receive a discount for any beverage.
- We will have withdrawn plastic straws from coffee houses by 2020.



SUSHISHOP

- The Sushi Shop brand participates in the catering industry programme, **Too Good To Go**, which works for reducing food waste. This is why we reduce the weight of food waste and CO₂ emissions from such waste.
- Since 2018 we have no longer insert menu leaflets to orders placed online. Leaflets will be added at the request of our guests. This way we use less paper.



BAR & GRILL

- The blue frog in Poland participates in the **HARVEST** programme and donates nutritious food which did not sell to **Food Banks**.



- Most of our packaging is **100% biodegradable**.
- Our suppliers specialize in breeding **100% organic beef**.



**I AmSharing,
you're sharing.**



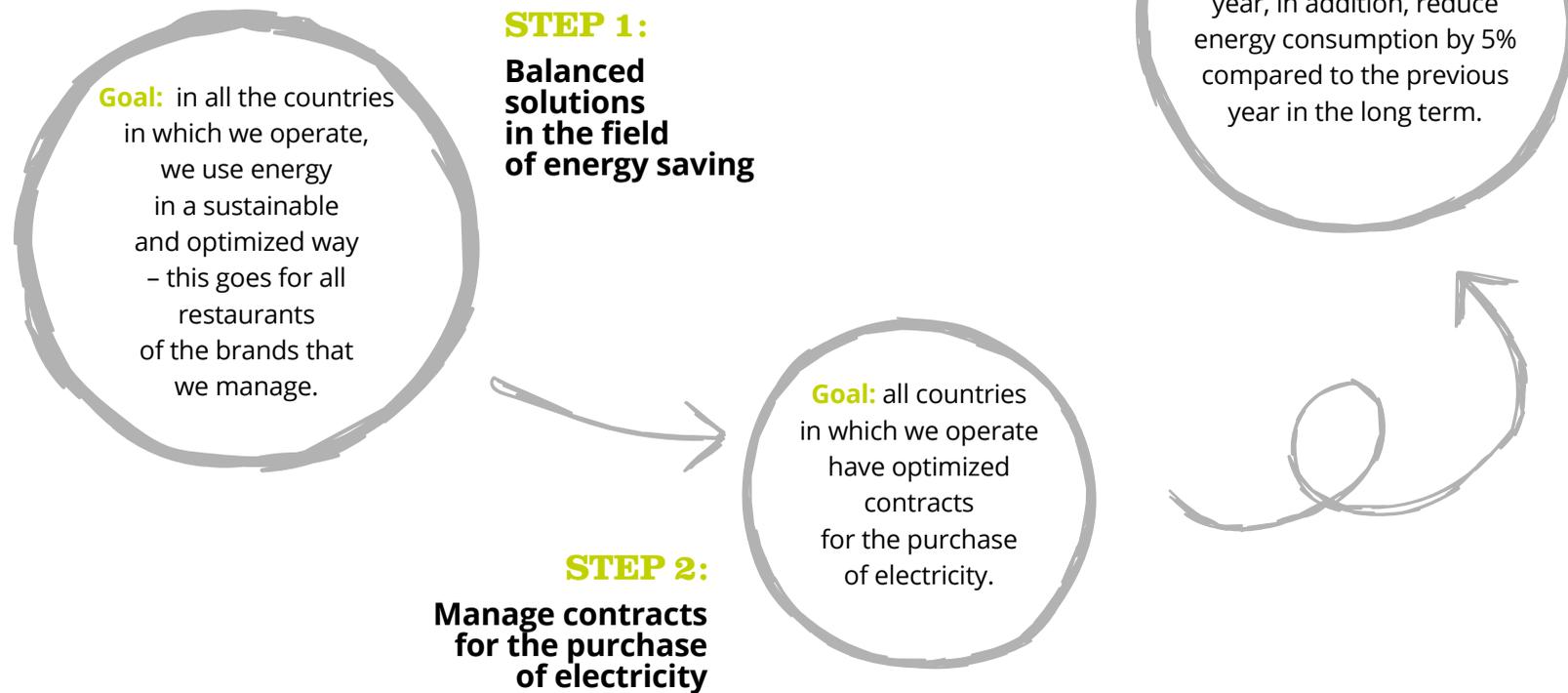
Consumption of electricity

In early 2018 we worked on the **GREEN!** (Global Remodelling of Energy Efficiency) project aimed at reducing electricity consumption at our restaurants by 3% in 2019 and by another 5% in 2020. When AmRest Board of Directors approved **GREEN!**, we immediately began to implement it.



Our global goal: remodel energy efficiency of our new and existing restaurants to reduce electricity consumption and partly offset the rise in energy prices.

GLOBAL REMODELLING OF ENERGY EFFICIENCY



“As part of the **GREEN!** project we have engaged in extensive actions, such as optimization of the HVAC⁹ installations to increase their effectiveness without an adverse impact on employee or customer comfort. We implement efficient recuperation systems. We have also started an internal educational campaign, which promotes employee attitudes that have a positive impact on the environment.

The results of our activities in the first quarter in Poland exceeded our wildest expectations - we achieved as much as 11% of savings in energy consumption compared to the previous year. In addition, we have noted an increased environmental awareness of restaurant staff. It is a great success that motivates us to work further, but above all, an advantage for the environment.

Marcin Ciupak, Facility Management Director

⁹ An abbreviation for heating, ventilation and air conditioning.

The result of the **GREEN!** project is lower energy consumption in Poland by **11%** after the first quarter of project implementation.



Examples of our actions to optimize energy consumption:

-  Most of the coffee houses and restaurants in Poland have introduced the electricity consumption remote monitoring system. This system facilitates analysis of detailed data on energy consumption in various locations, prevention of energy waste and seeking of optimization solutions. Our goal is to implement this solution in all of our restaurants.
-  In most markets, we use optimized procedures for handling electrical devices in a way that limits energy consumption; these procedures are described in detail in the information materials for employees.
-  In 2018 we developed a detailed plan to implement the project to replace restaurant lighting with more energy efficient LED lighting. We estimated that this would contribute to energy savings of around 1 764 254.8 kWh over a year.¹⁰
-  In our restaurants we use motion detectors to switch on/off light in service rooms and toilets. We also use energy-saving fans and air-conditioners with heat pumps.

-  Some of the deep fryers, fridges, freezers, ovens and other equipment used in our restaurants is energy saving equipment, ENERGY STAR certified. The deep fryers feature a special energy saving system of operation that allows us to use a small amount of oil.
-  In Poland, in KFC, Burger King and Pizza Hut restaurants we recuperate heat from cooling and freezing units. The recuperated energy is used to heat water.
-  In 2018 AmRest worked on construction of the first standalone KFC DT GREEN restaurant, LEED certified (Leadership in Energy and Environmental Design).
-  Currently, there is one restaurant in Poland with a solar panel which generates energy.

¹⁰ These actions apply to restaurants in Poland.



Electricity consumption by country [GJ]

Country	2017	2018
 Poland	337 559.00	379 006.40
 Russia	119 483.00	204 815.80
 Spain	211 402.00	179 552.80
 France	76 199.00	121 814,60
 Czech Republic	93 176.00	106 073.75
 Germany	68 069.00	80 280.00
 Hungary	53 219.00	69 011.50
 China	30 766.00	38 742.70
 Serbia	4 348.00	11 460.00
 Croatia	3 311.00	10 481.00
 Romania	6 805.00	8 674.84
 Bulgaria	5 586.00	6 442.60
 Slovakia	not applicable	1 332.00
 Slovenia	not applicable	957.40
 Austria	not applicable	399.70
 Portugal	310.00	n.a.
TOTAL	1 010 233.00	1 219 045.09

The total electricity consumption in 2018 increased compared to the previous year by 20%. This is mainly because the number of restaurants managed by us has grown.

Aiming at optimizing energy consumption, in particular at reducing electricity consumption, we are also working on reducing greenhouse gas emissions and improving the data collection process needed to calculate emissions.

In 2018 the AmRest Group emitted 54 902.14 tons of CO₂ through consumption of fuel and electricity.



KFC Drive Thru GREEN

LEED GREEN

In 2018 AmRest worked on the construction of the first standalone **KFC DT GREEN** restaurant in Poland, **LEED** certified (Leadership in Energy and Environmental Design), with a solar system that generates approx. 2.5-3% of electricity need for restaurant operations. The restaurant's design provides for, among others, photovoltaic panels, heat recuperators and ventilation variable efficiency system, recovery of rainwater for watering the greenery, environmentally-friendly fittings which reduce water consumption and heating of domestic water with waste energy from cooling devices. The lighting system will be based on LED lamps, supported by the intelligent lighting control system.

With heat recovery from the cooking process, we save **30% of the traditional heating power.**



Some of the materials for the construction and finishing of restaurants come from **recycling.**



There are spaces reserved exclusively for **low-emission cars** in our car park.



Photovoltaic panels on the roof of the restaurant generate the energy needed to illuminate the restaurant.



The **recovered rainwater** is used to water the greenery around the restaurant.



By using modern eco-technologies, we save up to **30% of water consumption.**



By using **LED lighting** we save up to **25% of electricity.**



Waste management

Diversity of waste management solutions in individual countries and locations of restaurants and our dynamic growth on new markets are reasons why we have not yet implemented a Group-wide system of waste management and waste production monitoring. Currently reporting of the exact amount of generated waste is additionally made difficult by the fact that part of coffee houses and restaurants are located in buildings such as shopping galleries, where building administrators are responsible for the collection and transfer of waste to specialised operators. However, we defined requirements for managers and employees of coffee houses and restaurants and we take care that they are always conscious as regards responsible waste management.

Brand restaurants receive detailed instructions on how to deal with waste and how to report compliance of restaurant operations with good practices defined for this area.



Type of waste and waste management in Poland and Spain

Country	Type of waste	Method of dealing	Weight [t]
Poland	harmful	recycling	13.26
	non-harmful	recycling	2 390.00
Spain	harmful	recycling	0
	non-harmful	recycling	739.00

We minimize our potential adverse impact on the environment by following the policy of separation and sale of spent oil from restaurants to entities which use this waste to manufacture biofuels.



The amount of spent oil from restaurants transferred in 2017 and 2018 for re-use in biofuel production processes - by country [kg]

Country	2017	2018
Poland	393 198	522 166
Czech Republic	239 053	236 776
Hungary	78 570	71 749
China	-	60 000



Organic waste transferred for recycling [kg]

Country	Weight
China	1 460 000
Czech Republic	478 650
Poland	469 903
Hungary	9 614



Water consumption by country in 2017-2018 [m³]

Country	2017	2018
France	621 137	835 316
Poland	443 391	469 779
Russia	240 900	420 000
Spain	326 149	308 133
Czech Republic	161 258	169 888
China	142 840	155 432
Hungary	83 820	106 854
Romania	69 360	44 292
Bulgaria	20 876	27 409
Serbia	8 090	12 710
Croatia	7 190	10 957
Slovakia	not applicable	2 583
Slovenia	not applicable	1 779
Austria	not applicable	558
Germany ¹¹	-	-
Portugal ¹²	-	-
TOTAL	2 125 011	2 565 690

¹¹ We do not have data for Germany. Most restaurants in this country pay water bills included in the rent as a flat fee, which made it impossible in 2018 to reliably estimate water consumption.

¹² We do not have data for Portugal. As in Germany, most restaurants in this made it impossible to reliably estimate water consumption for 2018.



Fuel consumption by country in 2018 [l]¹³

Country	Diesel	Gasoline
Poland	447 150	22 163
Germany	89 707	4 875
Czech Republic	73 020	710
Hungary	69 918	2 852
Spain	48 137	0
Romania	18 372	3 928
Austria	7 968	0
Slovakia	5 630	0
TOTAL	759 902	34 528

¹³ We report fuel consumption for 8 leading countries which employ 65% of the total number of employees in the entire Group. In the future, we plan to expand reporting in this area.

Good practices of our suppliers

We work with suppliers of food products who apply good environmental practices at the stage of breeding and cultivation. These practices are crucial to the protection of biodiversity, good soil condition and preservation of water resources.

We also carry out audits of key suppliers in terms of quality standards and cultivation principles, and we work with suppliers who implement good practices in this area.

100% of suppliers of fresh vegetables

which are delivered to our restaurants in Poland, the Czech Republic, Hungary, Croatia, Slovenia, Serbia and Austria are **GLOBAL G.A.P.** certified suppliers.



GLOBAL G.A.P.

GLOBAL G.A.P. is a system of monitoring and primary production control of farmers and suppliers of vegetables. It complements the idea of a safe and top quality product "from the field to the customer". GLOBAL G.A.P. is focused on the conditions of cultivating plants, their fertilization or the use of plant protection products, and field irrigation.

GLOBAL G.A.P. certification for onion and lettuce producers also includes actions to preserve or restore biodiversity. Biodiversity is preserved by the use of crop rotation, cover crops and sterilized manure, which limits the use of mineral fertilizers. In addition, ditches and wastelands are managed in a way that ensures proper diversity of species.

All activities are carried out in accordance with GLOBAL G.A.P. recommendations, where preservation of biodiversity is one of the key requirements.

An additional element in preservation of biodiversity is the obligation imposed on larger farms to maintain a specific percentage of the cultivated land in the form of the so-called biologically active areas (meadows, ditches, cover crops and temporary crops). Suppliers of our plant products must comply with this obligation.



TOGETHER WE ARE RICH CHANGING THE WORLD FOR THE BETTER!

We multiply
by sharing

We have many examples to prove this.



Our social commitment in 2018:

We prevent food waste

We support local communities AmRest

Volunteers work all over the world

We carry out inspiring activities
at **SIEMACHA** Spot Wrocław

We
SHARE
SPARE
care

Our social commitment in 2018

We are a socially involved company, which takes care of its impact on the neighbourhood and local communities. An extremely important value for us is the widely understood diversity – we undertake initiatives dedicated to local communities that respond to their needs and are adapted to the local environment. What never changes – we want to positively influence our environment, share our success and constantly inspire others to act.

Amounts appropriated in 2018 for social activities by country:



€57 423



€49 470



€6 250



€3 764



€3 400



€1 000

**A TOTAL OF
€121 307**

* We present the countries where the social involvement is the greatest.



**We share our success with local communities.
We help solve major social issues in the surrounding environment of our company.**

In 2018 the cost of social activities, tailored to the needs of local communities was over **€121 000**.



We prevent food waste.

We implement two projects aimed at counteracting food waste: **HARVEST** and **Too Good To Go**.

In 2018, we donated nearly **190 tons of food** with a total value of over **€1m** to social organisations as part of the **HARVEST** programme.



**We support employee involvement in local initiatives.
We implement employee volunteering programmes.**

We organize grant competitions for AmRest employees. We reward the best ideas for helping. In 2018 we completed **112 volunteer projects in 6 countries**.



We prevent food waste



Given the industry which we operate in, one of the pillars of social and environmental impact that is important for us is prevention of food waste. We always look for new methods and solutions in this area. With new ideas, consistent and systemic actions, we are able to considerably reduce the amount of food which does not sell at our restaurants and would otherwise be thrown away. An additional plus is the fact that those in need benefit from this nutritious food. We started these actions in 2016 with the **HARVEST** programme, which we have continuously developed. In 2018 we joined the **Too Good To Go** programme, which considerably contributes to the prevention of food waste in the restaurant sector.



HARVEST programme – another year of actions

In the AmRest Group, this is the system for providing surplus foods mainly from the KFC restaurants to institutions and organisations that support those in a difficult situation. The KFC brand is a pioneer of this initiative in Poland, where it introduced the system-wide approach to the waste reduction process through a special procedure. In 2017 the program operated in KFC restaurants in

Poland, Serbia, Spain and Hungary. In 2018 **HARVEST** expanded to KFC restaurants in Bulgaria, blue frog in Poland and Pizza Hut, through a pilot run programme.

In 2018 as part of **HARVEST** we donated nearly **190 tons of food** with a total value of nearly **€1.2m** to charities.

Since 2017 we have donated over **350 tons of food**, worth more than **€2m**.



“ Since 2017, as part of cooperation with Food Banks, we have received KFC products several times a week. We are happy that the diet of the people we care for, which is often poor in proteins, is enriched with full-value, safe, high-quality product.

Social involvement of large international companies is proof that the business of today sees problems in its environment and is able to respond appropriately. We are very happy that the scale of food waste prevention programme at AmRest has been growing every year. It is a project that we wholeheartedly support.

Aleksander Pindral,
President of the St. Brother Albert Aid Society

HARVEST in 2018

5 **countries**

Poland, Spain, Hungary, Bulgaria and Serbia

3 **brands**



267 **restaurants**

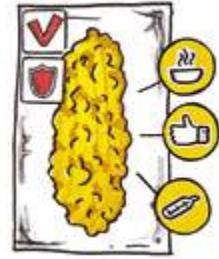
involved in actions aimed at preventing food waste

	Weight of the food donated [kg]	Value of the food donated [EUR]	Number of restaurants involved in the project	Markets involved in the project
	187 598	1 177 635	265	
	173	4 519	1	
	451	5 115	1	
	188 222 kg	€1 187 269	267 restaurants	

The road from KFC restaurants to Food Banks

1 FOOD QUALITY ASSURANCE

All products donated by KFC to Food Banks are completely safe for consumers.



2 FOOD PACKING AND FREEZING

Surplus production goes into a freezer where it should reach a temperature lower than 5°C within 4 hours, and lower than -12°C within 24 hours



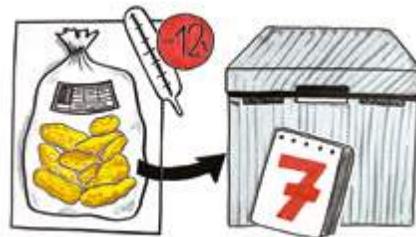
4 FOOD DONATION

The restaurant donates chicken to the Food Bank at least twice a week. The food is collected by a representative of charges from the organisation which the restaurant works with. This way, our food goes directly to those who face a difficult life situation.



3 FOOD STORAGE

Frozen chicken portions go into special thermal containers where they can be stored for a maximum of 7 days.



When donating food, we always take care of its safety. We have implemented a closely monitored procedure that defines the principles of safe food storage and donating it to our social partners.

Too good to throw away!

Too Good To Go, a project pursued by our Sushi Shop brand, is another high-scale project aimed at preventing food waste in the restaurant industry. The project allows the customers to purchase products (which the restaurant is unable to sell the next day) at a lower price before the restaurant closes. The main part of the programme is a special app which connects restaurants and Customers ready to buy food late in the evening for a small price; otherwise such food would be thrown away. The app user can see the location where they can collect ready food which no one ordered during the day. An important incentive is the fact that such a meal can be offered with a discount of up to 70% compared to the day price. In this way, unsold nutritious food from Sushi Shop is put on the tables instead of the bin.



In 2018 the **Too Good To Go** project brought together **74 Sushi Shop restaurants** in **5 countries**: France, Belgium, Great Britain, Germany and Spain.

In 2019 the project is to cover further brands in various countries.

Too Good To Go in Sushi Shop restaurants in Europe:

55 572
saved meals

170 tons
less greenhouse gas emissions

€7 193
- value of waste saved

32 490
unique customers

€309 249
- value of sales



Joy of helping – our recipe for employee volunteering



AmRest staff may take part in grant competitions, by setting up a team and contributing their aid idea to the unit responsible for volunteering actions in the company. The best projects are awarded financial grants so that they can be implemented by the winning teams.

Engagement records were broken in 2018! In Poland we completed **28 grant projects**, in Russia a total of **2 000 employees** were involved in helping others!

We support employee involvement in local initiatives and inspire them to act by giving them the right tools and creating internal programmes.

Employee volunteering in AmRest in 2018:



112 projects

in Poland, Russia, Spain, Germany, Czech Republic and Hungary



2 524

engaged AmRest employees



9 580

beneficiaries

Examples of our volunteering actions:



We supported children homes, donated food to the homeless during the winter, took part in charity races, collected clothes for those in need and supported animal shelters.



Together with people with disabilities, we made Christmas decorations, we were involved in aid provided in animal shelters, we painted benches and decorated schools.



We pursued projects dedicated to people with Down's syndrome, supported an organization helping children suffering from cancer, and carried out charity sports projects.

Results of employee volunteering in selected countries:

	PL	RU	HU	CZ	ES	DE	TOTAL
Number of projects carried out as part of employee volunteering	35	48	9	8	8	4	112
The number of volunteers involved	250	2 000	86	30	8	150	2 524
The number of project beneficiaries	2 500	6 000	350	150	100	480	9 580

In 2018 in Poland employees of KFC, Pizza Hut and Burger King restaurants and Starbucks coffee houses, as well as the Wrocław office completed **28 grant projects** in 13 Polish cities. It is **43% more** projects than in 2017! These projects were worth over **€15 000**.

“AmRest Volunteers” grant competition was recognized as good practice in “Responsible Business in Poland. Good Practices” report published by Responsible Business Forum.

Starbucks employees' engagement

As a global company rooted in local neighbourhoods, we want to do our part to bring people closer together – no matter what background, education or personal orientation have shaped each and every one of us.

At Starbucks we believe in equality, diversity and mutual respect. We foster a culture of opportunities for everyone. A culture of humanity. We are proud to employ partners from multiple countries, who share their stories. And because we know, that as a global company, we can and should take on social responsibility, it's our ambition to share this culture not only with our partners, but also with the communities we serve. Education is one of the biggest factors which can minimize this social gap. By giving equal chances for good education to everyone, we become an active part in our society and the communities we operate in.



On national **Reading Day**, we made Starbucks coffee houses available throughout Germany as reading locations and helped to find readers. The lecture day is an initiative of Die Zeit, Reading Foundation and Deutsche Bahn. More than **130 000 readers** read to more than two million small and large listeners throughout Germany. The goal: To convey a read-and-read, to strengthen education and to promote the respect and cooperation of our society. In 2018 we provided over 30 reading sessions in our coffee houses throughout Germany. Partners, journalists and politicians read to kindergarten kids.

As an official partner of the **ROCK YOUR LIFE!** Mentoring program, Starbucks helps teenagers from underprivileged backgrounds find their place in society. The aim is to create new opportunities and perspectives for young people who are disadvantaged in education, to strengthen their faith in their own abilities and to facilitate career entry. With us, those kids get an insight into our company – they get an introduction to the coffee expertise of our barista, our company values and the way we work in the coffee houses. On top of that, they have the chance to work as a barista for a day and find out how diverse the tasks are and how much fun working in our coffee houses can be.

Starbucks is a partner of "**We Together**" and promotes the integration process of refugees. We offer refugees the opportunity to get to know the work in the coffee houses during an internship. On four-week programs, attendees can observe Starbucks store teams. In doing so, they get to know both the professional image of the barista and the culture of the company. The new colleagues are on hand four days a week at the Starbucks stores, on the fifth day they deepen their language skills at a German course. The aim of the initiative is to take as many trainees as possible into a permanent employment relationship. At the end of 2018 we managed to employ **81 people with the status refugee**.



In Czech Republic, Starbucks started cooperation with „**Dejme dětem šanci**“ (Let's give children a chance). This NGO helps children and young people from children's homes on their journey to independence, making it easier for them to become successful members of society after leaving the children's home. The Starbucks team in Czech Republic created a unique mentoring program for these kids from all over the republic to help gain knowledge about getting employed, helping them with their CV and also supporting them in case they'd like to become a partner at Starbucks. The project in 2018 was a huge success with **loads of positive emotions**.

Starbucks employees in Hungary have participated in many initiatives supporting children. In 2018 they helped in cleaning up rubbish in playgrounds and also planted trees and shrubs together to beautify the area of one of the schools. They also organized a spring picnic for children. What is more, as part of cooperation with **SOS Children's Villages**, Starbucks performed at **Career Days**, during which our baristas promoted professional activity among the younger generation.



Starbucks Bulgarian team and "**Children's book**" foundation organised together a donation campaign "**Traveling Boxes**". The initiative has the goal to collect new titles of books, and to reach young people and children who haven't got equal access to literature. Our boxes with books will change their destination every three months and, this way, they will cross all of the country. Our campaign lasted two months. For this short period we succeeded in gathering over **120 new titles**, which is a great success.



Currently, two universities participate in the blue frog Elite Class programme, a total of 70 students. Half of them will graduate from BFEC in June 2019.



**Development of future leaders.
Cooperation between blue frog and universities in China.**

The **blue frog** brand works with Chinese universities and provides students with career development opportunities and fulfilling their dream of working in the restaurant business.

Blue frog Elite Class is a unique programme for which we choose students mainly from catering courses. We want BFEC students to be people passionate about working in a restaurant. We provide intensive training on products, company culture or management to our young talents and we direct them towards development of our business. We prepare participants to be future leaders.

The first 6 months of the programme is an intensive onboarding programme, which covers the basics of blue frog operations and the corporate and management culture. The next 12 months is pure practice which prepares participants for certification to senior management positions and managerial positions for juniors.

We influence each other: thanks to our programme, students fulfil their dreams of a career in the catering industry, and we acquire new talents with whom we develop our business on the demanding and competitive market.



“The talent development pipeline is critical for our business in China. There are not enough strong candidates on the Market to support our fast growth. BFEC was therefore developed to solve that issue. Throughout this program, candidates develop their culture of belonging, skill sets and acquire the professional knowledge to drive their growth in our company. I have since it's development seen many interns become part of the core management team in our organization. I am happy to see we offered them the freedom to live their dream, we made them believe in WJM, believe in bringing fun to life, and believe they can achieve so much more in their own life.

Iris Wu, blue frog HR Director, China



A close look at SIEMACHA



In 2015 an idea was conceived at AmRest to become involved in a unique project of the **SIEMACHA Association** in Kraków. For years, the organisation has promoted the idea of creating Spots where young people could develop their talents and passions. With the engagement of AmRest, Multi Fields, the manager of Magnolia Park Shopping Centre in Wrocław and the City of Wrocław, a new unique **SIEMACHA Spot** opened in one of the Magnolia Shopping Centres. Our company is a strategic partner of the project and has committed to finance construction and equipment at the cost of PLN 2.2m. We have been supporting **SIEMACHA** from the moment the organisation started its operations, among others as part of the employee volunteering programme.

As in previous years, in 2018 we performed a number of interesting projects for **SIEMACHA**, with the involvement of AmRest employees. During joint workshops, our volunteers not only provide knowledge or specific skills, but above all try to demonstrate good practices, so important in educating young people. Therefore training of new volunteers is an important element of cooperation with **SIEMACHA Spot Wrocław**. In this way they become familiar with the operations of the association and are prepared for any challenges that they may face.

We are a socially responsible company that helps to solve important social problems in the immediate environment of the company.

At AmRest all of us look for the answer to the question: **"What can I give to others?"**



AmRest workshops at SIEMACHA in 2018

Cooking Academy

During the classes, children learn how many different meals can be made from vegetables, fruit, various kinds of groats and other ingredients, and how to prepare simple and healthy meals. Cooking classes take place once a week and are run by AmRest volunteers.



KFC Olympics

Every spring and autumn, Wrocław hosts the KFC Olympics! Kids and young people of **SIEMACHA** compete shoulder to shoulder with AmRest Volunteers for the top spot on the podium. Besides healthy competition, there is a lot of fun and joy. Every participant has guaranteed prizes and delicious KFC chicken.



Bring Fun to Life! Share your passion

The purpose of the classes is to provide opportunities and inspire participants, based on the passions of our volunteers. They share their experience with **SIEMACHA** children, give practical tips or talk about their passions.



2 ZERO HUNGER



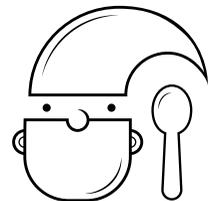
10 REDUCED INEQUALITIES



More than a meal

The Soup in the Liberty Square was a unique initiative supported by AmRest in 2018. Every Sunday, volunteers hand out hot meals to the homeless in the centre of Wrocław. One of the initiators of the Soup is an AmRest employee, who presented her idea to support the local community for the grant competition. With money awarded for project implementation, the group purchased the pots and kitchen utensils and was able to cook in a professional kitchen. **AmRest Volunteers** and kids from **SIEMACHA Spot Wrocław** also took part

in the initiative. Every Friday the kids and volunteers cook delicious meals for the beneficiaries of the Sunday Soup. The new edition of cooking workshops lets us stimulate empathy in children and teach them about social involvement.



zupa na wolności

Volunteers involved in **The Soup in the Liberty Square** were voted the **Voluntary Group of the Year 2018** in a competition organized by the Wrocław Centre for Social Development.



“

In May 2018 I proposed The Soup in the Liberty Square project, which I ran with my friends, for the grant competition. We were at a critical moment because the scale was slowly beginning to overwhelm us –we cooked meals for dozens of people in a small private kitchen. The grant we received (PLN 3,000) was sufficient to buy professional equipment, but that's not all. The Soup became enormously popular inside the company and among our partners. Today we cook in a professional kitchen and stocks of products from suppliers are enough for several months! We truly appreciate support from AmRest Volunteers and SIEMACHA Spot Wrocław kids. It is very important to us because at the Soup, people are the most important. Watching how our joint work brings another hot meal to the homeless is really heart-warming.

Gosia Jasionek,
Brand Architect Starbucks at AmRest,
initiator of the The Soup in the Liberty Square



In 2018 we participated again in **Dotlenieni.org** action initiated several years ago by the **Development Foundation**. It involves planting to make air in Polish cities cleaner.

Along with **SIEMACHA** kids we planted more than **330 bushes**. They were joined by our **Pizza Portal employees** in Łódź, and together they planted **100 plants** in November.

During three editions we planted more than 900 plants!

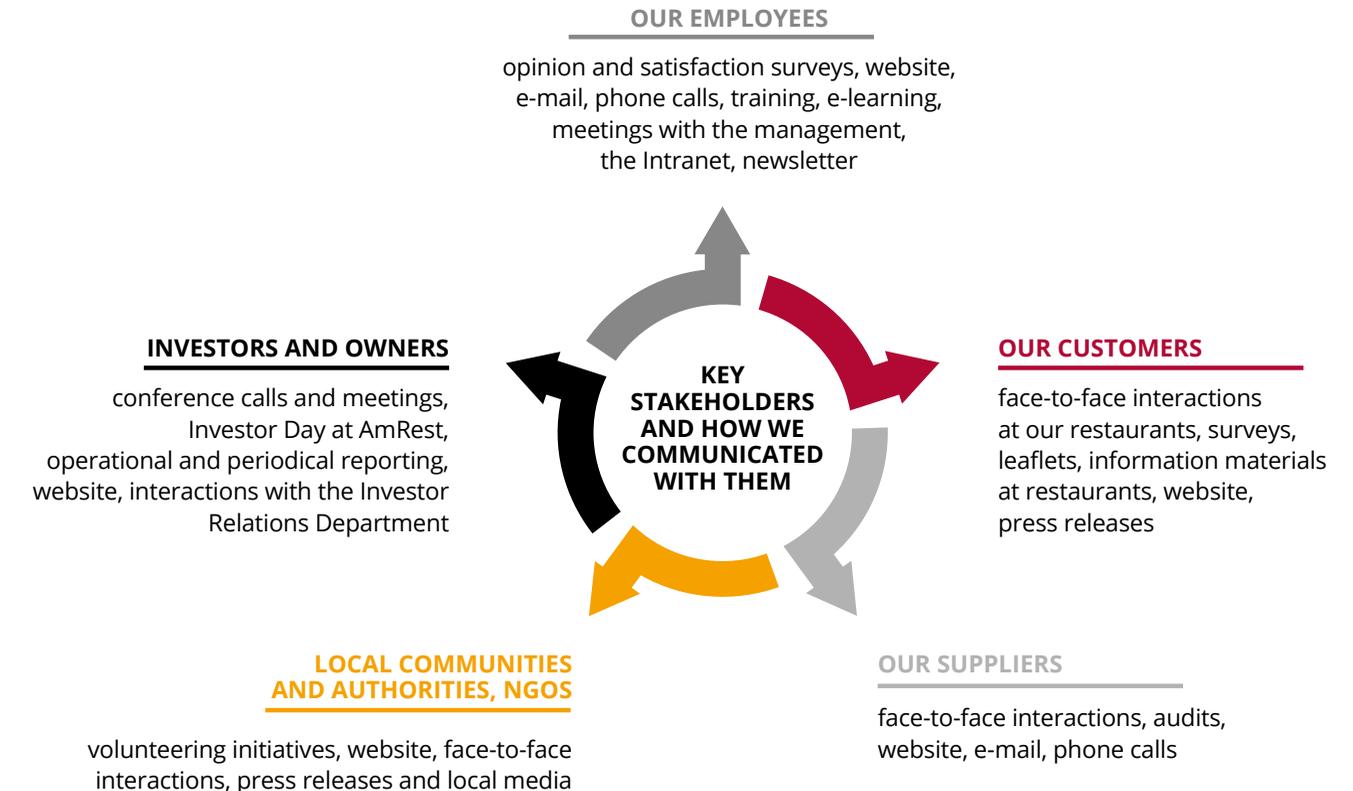


RECIPE FOR THE REPORT

Our stakeholders

We want to provide our environment with reliable information on how we operate. The sustainable development report is a testimony to that commitment. We try to make sure that the data contained in the report is available to all those interested in our operations. In defining the scope of reporting, we considered the expectations of our employees, business and social partners.

The map of AmRest key stakeholders includes employees, customers of all our brands, investors, suppliers (including fixed and long-term business partners), local communities and local authorities of regions where we operate our coffee houses and restaurants. Opinions and needs of our key stakeholders are important to us, and attention to responsible cooperation with them affects the way we do business. In 2019 we will take actions to intensify dialogue with our stakeholders.



GRI indicators included in this Report.



How the Report was prepared

The AmRest Sustainable Report for 2018 is our second report which presents the goals and results from the viewpoint of sustainable development and responsible business. It covers the period from 1 January 2018 to 31 December 2018. It is based on the GRI Standards international reporting standard, Core level.

GRI Standards recommends that stakeholder opinions be included in the process of defining key topics, i.e. reporting aspects which need to be reported. Our 2018 report is mainly based on stakeholder recommendations sourced in 2017 and verification of the weight of issues presented during workshops with participation of AmRest managerial staff. Currently we are preparing for the activities related to the further involvement of stakeholders in the process of reporting and revising our sustainable development goals.

During the preparation of this Report, we were supported by an independent advisory company, CSRinfo. We have not subjected our report to any additional external verification.

Following surveys of stakeholders' opinions from 2017 and this year's workshops and consultations with the participation of employees, managers and our top management, we have confirmed the list of the most important topics which we should pay particular attention to in our report. Compared to 2017, the thematic scope of reporting aspects did not change significantly.

The list of key reporting aspects includes:

- taking care of the food quality and safety,
- the scale and conditions of employment,
- occupational health and safety,
- employee education and training,
- business ethics - practical translation to corporate and employee actions,
- diversity and equality of opportunities,
- social commitment of the company and its employees.

Our approach to managing social, personnel, environmental, human rights and corruption prevention issues is also described in "Non-financial Information Statement of AmRest Holdings SE for 2018", which is part of "Consolidated Directors' Report for the year ended 31 December 2018".

If you wish to let us know what you would like to read about in the next AmRest sustainable development report or you have any comments about the 2018 report, please contact us at:



Ewelina Jabłońska - Gryżenia
Corporate Social Responsibility Manager
ewelina.jablonskagr@amrest.eu

GRI Standards Content Index

GRI Standards	Disclosure	Reporting	Page number
General Disclosures			
Organisation profile			
GRI 102-1	Name of the organisation		3
GRI 102-2	Description of the organisation's activities, main brands, products and/or services		12-21
GRI 102-3	Location of the organisation's head office		14
GRI 102-4	Location of operating activity		16-17
GRI 102-5	Form of ownership and legal structure of the organisation	AmRest Holdings SE is a parent company listed on the Warsaw, Madrid, Valencia, Bilbao and Barcelona Stock Exchanges.	
GRI 102-7	Scale of activity		12-21
AmRest's own index	No. of food suppliers		78
AmRest's own index	No. of transactions annually		13
AmRest's own index	No. of restaurants, incl. newly opened locations		16-20
GRI 102-6	Supported markets for the group and by brands		16-17
GRI 102-8	Information on employees and other workers		100-104
GRI 102-9	Description of the supply chain		74-82
GRI 102-10	Significant changes in the reporting period regarding the size, structure, ownership form or value chain		12-14, 17
GRI 102-11	Explanation of whether and how the organisation applies the precautionary principle		38
GRI 102-12	External economic, environmental and social declarations, principles and other initiatives accepted or supported by the organisation		46-47
GRI 102-13	Membership of associations and organisations		14-15
Strategy			
GRI 102-14	Statement by the top management		6-9
GRI 102-15	Description of key influences, opportunities and risks		8-9, 40-47
Ethics			
GRI 102-16	Organisation values, code of ethics, rules and standards of behaviour		38-39

Management			
GRI 102-18	The supervisory structure of the organisation together with the committees subordinated to the highest supervisory body		26-27
Stakeholders' involvement			
GRI 102-40	List of stakeholder groups engaged by the reporting organisation		151
GRI 102-41	Employees covered by collective agreements	10 047 employees in Germany, France, Portugal and Spain	
GRI 102-42	Basis for identifying and selecting stakeholders engaged by the organisation		151
GRI 102-43	An approach to engaging stakeholders, including the frequency of involvement by type and group of stakeholders		151, 153
GRI 102-44	Key topics and problems raised by stakeholders and the response from the organisation, including by reporting them		153
Reporting			
GRI 102-45	Recognition in the report of economic entities recognised in the consolidated financial statements	All economic entities were included.	153
GRI 102-46	The process of defining the content of the report		153
GRI 102-47	Significant subjects identified		153
GRI 102-48	Explanations regarding the effects of any adjustments to information contained in previous reports, giving reasons for their introduction and their impact (e.g. mergers, acquisitions, change in the year/base period, nature of operations, measurement methods)		18
GRI 102-49	Significant changes compared to the previous report regarding the scope, reach or methods of measurement used in the report	Not applicable	
GRI 102-50	Reporting period	1.01.2018-31.12.2018	
GRI 102-51	Date of publication of the last report (if published)	July 2018	
GRI 102-52	Reporting cycle	Annual	
GRI 102-53	Contact details		153
GRI 102-54	Indication of whether the report was prepared in accordance with the GRI Standard in the Core or Comprehensive option	Core option	
GRI 102-55	GRI index		154-157
GRI 102-56	Policy and current practice in the field of external verification of the report	The report has not been verified externally.	

Material topics		
Social subjects		
ASPECT OF REPORTING: Ensuring food quality and safety		
GRI 103-1	Explanation of the material topic and its Boundary	42, 74-88
GRI 103-2	Management approach and its elements	42, 74-88
GRI 103-3	Evaluation of management approach	42, 74-88
AmRest's own index	Actions taken to ensure food quality and safety	74-88
AmRest's own index	Percentage of restaurants covered by food quality and safety audits	82
ASPECT OF REPORTING: Employment numbers and conditions – creating attractive working conditions		
GRI 103-1	Explanation of the material topic and its Boundary	43, 96-114
GRI 103-2	Management approach and its elements	43, 96-114
GRI 103-3	Evaluation of management approach	43, 96-114
AmRest's own index	Company's approach to employee opinion surveys and their results: FUN Index and Index of appreciation	105-113
ASPECT OF REPORTING: Occupational health and safety at work		
GRI 103-1	Explanation of the material topic and its Boundary	115
GRI 103-2	Management approach and its elements	115
GRI 103-3	Evaluation of management approach	115
GRI 403-2	Type and rate of work-related injuries	115
ASPECT OF REPORTING: Education and training of employees		
GRI 103-1	Explanation of the material topic and its Boundary	100, 112-114
GRI 103-2	Management approach and its elements	100, 112-114
GRI 103-3	Evaluation of management approach	100, 112-114
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	112-114
AmRest's own index	Percentage of employees who receive regular evaluations of their performance and/or progress	114
ASPECT OF REPORTING: Business ethics and how it translates into the company's operations and the behavior of its employees		
GRI 103-1	Explanation of the material topic and its Boundary	38
GRI 103-2	Management approach and its elements	38
GRI 103-3	Evaluation of management approach	38
GRI 406-1	Total number of cases of discrimination	No instances of discrimination were identified in 2018.

ASPECT OF REPORTING: Diversity and equal opportunity		
GRI 103-1	Explanation of the material topic and its Boundary	102-104
GRI 103-2	Management approach and its elements	102-104
GRI 103-3	Evaluation of management approach	102-104
GRI 405-1	Diversity of governance bodies and employees	Reported partially 26-27, 102-104
ASPECT OF REPORTING: Social engagement of the company and its employees		
GRI 103-1	Explanation of the material topic and its Boundary	134
GRI 103-2	Management approach and its elements	134
GRI 103-3	Evaluation of management approach	134
AmRest's own index	Scale of investment into social causes	134
AmRest's own index	No. of projects implemented as part of the employee volunteering scheme	140
AmRest's own index	No. of employees involved in the volunteering scheme	140
AmRest's own index	No. of beneficiaries of the employee volunteering scheme	140
AmRest's own index	Amount of food donated to people in need through the Harvest Program	134
Environmental subjects		
ASPECT OF REPORTING: Reduction of AmRest restaurants' and offices' environmental footprint		
GRI 103-1	Explanation of the material topic and its Boundary	118-119
GRI 103-2	Management approach and its elements	118-119
GRI 103-3	Evaluation of management approach	118-119
AmRest's own index	No. of measures that reduce the restaurants' and offices' environmental footprint	119-127
ASPECT OF REPORTING: Energy		
GRI 302-1	Energy consumption within organisation	125
ASPECT OF REPORTING: Water		
GRI 303-1	Water withdrawal by source	129
ASPECT OF REPORTING: Waste		
GRI 306-2	Waste by type and disposal method	Reported partially (Poland and Spain) 128
ASPECT OF REPORTING: Emission		
GRI 305-1	Direct (Scope 1) GHG emissions	Reported partially 125

Acknowledgement

The second edition of the AmRest Sustainability Report is the result of cooperation and engagement of several dozens of people, companies and entities from many countries representing various areas of interest and business, supporting different initiatives and enjoying the continued growth of our company. We would like to thank all of them for gathering accurate data and interesting information about the work done by AmRest and its commitment. This publication would not have been created without the support of our employees and stakeholders. Thank you for the time you dedicated to this project. We are particularly grateful to those who were involved in the activities described in the Report and whose image was used in the pictures.



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